United States Court of Appeals

for the Second Circuit

EXHIBITS

ORIGINAL 75-7013

B
P/S

United States Court of Appeals

For the Second Circuit.

ONLY COPY AVAILABLE

SECURITIES AND EXCHANGE COMMISSION,
Plaintiff-Appellee,

-against-

CAPITAL GROWTH COMPANY, S.A. (Costa Rica), CAPITAL GROWTH COMPANY, S.A. (Panama), NEW PROVIDENCE SECURITIES, LTD., S.A., SHEFFIELD ADVISORY COMPANY, SHEFFIELD ADVISORY COMPANY, S.A., EHG ENTERPRISES, INC., CLOVIS W. McALPIN, SANFORD C. SHULTES, ARIEL E. GUTIERREZ and ENRIQUE H. GUITIERREZ,
Defendants,

ARIEL E. GUTIERREZ, ENRIQUE H. GUTIERREZ and EHG ENTERPRISES, INC.,
Defendants-Appellants.

On Appeal From The United States District Court
For The Southern District Of New York

EXHIBITS

IRVING RADER
Attorney for Defendants-Appellants
335 Broadway
New York, N.Y. 10013
925-2280

GILBERTO MAYO and
RAFAEL CUEVAS
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UNITED STATES COURT OF APPEALS
FILED
MAR 13 1975
A. DANIEL FUSARO, CLERK
SECOND CIRCUIT

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SECURITIES AND EXCHANGE COMMISSION

EXHIBITS IN SUPPORT OF

APPLICATION FOR PRELIMINARY INJUNCTION

AND APPOINTMENT OF RECEIVER

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION, Plaintiff, - against - CAPITAL GROWTH COMPANY, S.A. (Costa Rica), et al., Defendants.	AFFIDAVIT OF CHARLES MASCARI, D.D.S.

STATE OF NEW YORK)
) ss:
COUNTY OF ONTARIO)

CHARLES MASCARI, D.D.S., being duly sworn, deposes and says:

1. I am a Doctor of Dental Surgery duly licensed to practice in the State of New York.

2. I am presently engaged in the practice of dentistry at 33 Mason Street, Geneva, New York 14456.

3. I make this affidavit based upon my personal knowledge and experience.

FACTS

4. I purchased 329.872 shares of Capital Growth Fund plans for which I paid $5,000, plus a $75 sales charge.

5. I was in Geneva, New York when I made this purchase, and mailed my check from my home in Geneva, New York to New Providence Securities, Ltd., P.O. Box 1065, Nassau, Bahamas.

6. This purchase was made following a seminar that I attended, conducted in Isle Mereda, Florida, for the PERENNIAL SOPHOMORES, a group of dentists of which I am a member.

7. At that seminar, Clovis W. McAlpin addressed our group regarding Capital Growth, and spoke of its status and its ambitions.

8. On May 5, 1971, 330 shares of Capital Growth Fund, S.A. were mailed to me in Geneva, New York, from San Jose, Costa Rica, in exchange for the shares purchased by me in May 1966.

9. During the course of my holdings, I was sent various literature from Capital Growth through the use of the U.S. mails.

10. I have retained the shares of Capital Growth that I purchased, and consequently I still am a shareholder of Capital Growth.

CHARLES MASCARI, D.D.S.

Sworn to before me this
22nd day of August 1974

MARY ANN BAUMGARTNER
Notary Public in the State of New York
County of Ontario No. 55-5220150
Commission Expires March 30, 1976

NOTARY PUBLIC

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION, Plaintiff, - against - CAPITAL GROWTH COMPANY, S.A. (Costa Rica), et al., Defendants.	AFFIDAVIT OF ROBERT MOORE, D.D.S.

STATE OF PENNSYLVANIA)
) ss:
COUNTY OF MONTGOMERY)

ROBERT MOORE, D.D.S., being duly sworn, deposes and says:

BACKGROUND

1. I am a Doctor of Dental Surgery duly licensed to practice in the State of Pennsylvania.

2. I am presently engaged in the practice of dentistry at 2519 Huntington Pike, Huntington Valley, Pennsylvania 19006.

3. I make this affidavit based upon my personal knowledge and experience.

FACTS

4. I subscribed for 210.5 shares of Capital Growth Fund for which I paid $2,000.

5. I was in Huntington Valley, Pennsylvania at the time I made this purchase and mailed my check from Huntington Valley, Pennsylvania to New Providence Securities Ltd. at Zurich, Switzerland.

6. During the course of my holdings, I was sent various literature from Capital Growth through the use of the U.S. mails.

7. I have retained the shares of Capital Growth that I purchased, and consequently I still am a shareholder of Capital Growth.

ROBERT MOORE, D.D.S.

Sworn to before me this
[illegible] day of [illegible] 1974

NOTARY PUBLIC

NOTARY PUBLIC
SAMUEL M. BUSTARD, JR.
My Commission Expires Nov. 18, 1975

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

- -x

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

- against -

CAPITAL GROWTH COMPANY, S.A. (Costa Rica), et al.,

Defendants.

- -x

AFFIDAVIT OF GEORGE BARON

STATE OF NEW YORK)
) ss:
COUNTY OF NEW YORK)

GEORGE BARON, being duly sworn, deposes and says:

1. I am an attorney in good standing, duly admitted to practice before the Bar of the State of New York.

2. I am presently engaged in the practice of law as a partner in the firm of Booth and Baron with offices at 122 East 42nd Street, New York, New York.

3. I have read the documents contained in the files of Elizabeth Kalman Daunis, deceased, and I am familiar with the facts contained therein. I make this affidavit upon knowledge derived from the aforesaid documents, my past acquaintanceship with the deceased and members of her family, and conversations with acquaintances of the deceased.

4. I am the administrator of the estate of Elizabeth Kalman Daunis, who died intestate on May 11, 1974.

BACKGROUND

5. Elizabeth Kalman Daunis was born in Vienna, Austria on December 12, 1931 and became a citizen of the United States at age seven, by virtue of her father's naturalization in March 1939.

6. Thereafter, the deceased lived with her parents on Park Avenue, in New York, New York, until 1952.

7. On April 5, 1952, the deceased was married in Paris, France, to an American citizen named Alan Daunis, who resided at 40 Central Park South, New York, New York.

8. Subsequent to their marriage in 1952, Elizabeth and Alan Daunis resided in Paris, France.

9. In May 1969, the deceased obtained a Mexican divorce from Alan Daunis.

10. At the time of her death, the deceased resided at 56 Avenue Foch, Paris, France, but was a citizen of the United States.

FACTS

11. In October 1968, the deceased owned 16,715 shares of The Chase Selection Fund, Ltd. ("Chase").

12. On October 2 and October 23, 1968, the deceased sold her shares in Chase for a net total of U.S. $230,733.23.

13. At the date of the sale, the Chase shares were held in safekeeping in Lloyds Bank Europe, Ltd. ("Lloyds"), 1 place Bel-Air, 1211 Geneve 11.

14. On October 18 and October 28, 1968, the deceased purchased a total of 14,905 shares of Capital Growth Fund through her investment in New Providence Investment Plans for U.S. $233,232.73.

15. On October 24, 1968, pursuant to instructions of the deceased, Lloyds debited her account U.S. $233,232.73, and paid that amount to New Providence Securities, in account with Neue Bank, Zurich.

REASON

16. Upon information and belief, the source of my information and the grounds for my belief being a telephone conversation with the sister of the deceased, Yvonne Kalman Spiegelman, the deceased sold her interest in Chase in order to purchase shares of Capital Growth Fund.

GEORGE BARON

Sworn to before me this
14th day of August, 1974

Marianne J. Firelli
NOTARY PUBLIC
MARIANNE J. FIRELLI
Notary Public, State of New York
No. 30-6302410 Qual. in N. Y. Co.
Commission Expires March 30, 1976

AFFIDAVIT

STATE OF COLORADO)
) ss
COUNTY OF Arapahoe)

Mrs. Helen P. Knoll, being first duly sworn on oath, deposes and says:

That she is of a legal age, resides at 265 Moline Street, Aurora, Colorado, is a housewife and does considerable volunteer work.

That in approximately fall of 1965, affiant received a gift of $3000.00 from her parents. After overhearing a conversation of, and further discussion with, Ted Glowa, a friend of the family, she decided to invest in Capital Growth Fund. At that time, affiant and her husband, Dallas L. Knoll, Jr., Lt. Col., U. S. Army ret., were residing at 117 Washington Rd., West Point, New York. Affiant's husband was not involved in this investment, other than being named on the certificates, although most mailings from Capital Growth were in his name.

Affiant wrote and mailed a letter, via the United States mails, concerning the investment directly to the company. Although she doesn't think she has copies of the letter, Capital Growth, then addressed at P. O. Box 1065, Nassau, N. P., responding by letter made representations that first, the investor would never get back less than that invested, and secondly they guaranteed redeeming the shares at the per share net asset value. Affiant mailed her money and application and received, via the U. S. mails, an acknowledgement of receipt of her application, dated 3 December 1965 from Arawak Trust Company Ltd. (A copy of this letter is attached hereto and marked Ex A.). This letter redirected her application to the Funds management company, New Providence Securities Limited, Zurich, from whom affiant received, via the U. S. mails, an acknowledgement letter, dated 8 December 1965 (copy attached, marked Ex. B) and a confirmation slip, dated 7 December 1965 (copy attached, marked Ex. C) showing that she purchased 247,743 shares at $11.08 per share. Affiant accomplished her investment in this single transaction.

Affiant states that Ted Glowa and the rest of his family had really invested. Glowa had initiated affiant's interest in Capital Growth, and had answered her questions concerning her investment. Capital Growth provided a

subscription service, whereby the price per share could be obtained through receipt of a monthly post card. Affiant attempted on several occasions to obtain this service, but had only sporadic responses; one letter, dated 25 January 1966, stated that she would receive this service. (A copy of this letter is attached hereto and marked Ex. D.) The Glowas were involved earlier than affiant and to that extent affiant was advised that they had to pay no brokerage commission.

Affiant received, via the U. S. mails, a single certificate (#01044), issued 7 December 1965, for the 247,743 shares. (A copy of this certificate is attached and marked Ex E.) Prior to investing, affiant received, via the mail, some financial statements from Capital Growth, but nothing similar to a prospectus, and she did not retain this information. Although Capital Growth indicated that they provided shareholder services, affiant received none. Affiant feels she did not receive much information, including the monthly post cards, subsequent to investing, because she was a small investor. Affiant did receive occasional shareholder letters, but indicated that they did not disclose much about the Fund.

In approximately December of 1969, affiant received a second confirmation by U. S. mails of her purchase from Capital Growth, now addressed in Zurich, Switzerland. Affiant was advised that one of the Glowas dropped in on the Zurich office while traveling in Europe and was told that Capital Growth had moved to Costa Rica.

Affiant, then, received via the U. S. mails, seven or eight bearer share certificates and coupons, issued July, 1971, from Capital Growth Company S. A. in South America. (Copies of the certificates are attahced hereto and marked Ex. F to Ex. K; two certificates of 1 share denomination, numbered VPBI 00022 and VPBI 00023 were not copied.) Prior to this and in 1969, affiant thought about cashing in, because she had made some money; but then they moved and she forgot about it.

However, subsequent to receiving the new certificates, affiant wrote five or six times requesting information about redeeming her shares (copy of

one, attached, marked Ex. L), but only received limited information after a considerable period of time. (see attached copies of letters dated 1 Oct. 1971 and 23 March 1973 and marked Ex. M and Ex. N respectively) When Capital Growth finally did reply, they advised affiant that they had not received affiant's prior letters, however, affiant has lived in Latin America upon several occasions and is of the opinion that the postal service is at least equal, if not better, than that of the United States.

At some point subsequent to January of 1970, affiant received a request for a resume of health from Capital Growth; upon completion of which, affiant, as an investor, was to have received something. However, affiant does not remember exactly what she was to receive, nor all of the circumstances surrounding this event, nor did affiant retain this correspondence.

Affiant's last correspondence from Capital Growth was received, via the U. S. mails, in approximately December of 1973.

Copies of additional material received by affiant in connection with her investment with Capital Growth Fund are attached hereto as Exhibits O through CC, inclusive.

Further affiant sayeth not.

Helen P. Knoll

Helen P. Knoll

Subscribed and sworn to before me this 12 day of March, 1974.

Notary Public

My Commission Expires: Dec 1, 1977

(SEAL)

E-12

Ex A

ARAWAK TRUST COMPANY LIMITED

[illegible] | [illegible] | [illegible]

[illegible] [illegible]

3rd December, 1965.

Lt. Col. Dallas L. Knoll, Jr.,
117 Washington Road,
West Point,
New York, N.Y.,
U.S.A.

Dear Col, Knoll,

Capital Growth Fund

I duly received your application for the purchase of shares in Capital Growth Fund together with your cheque for $3,000.00. Since the 1st October this year, all applications must be dealt with by the Funds management company, New Providence Securities Limited in Zurich and I have accordingly forwarded a remittance to the appropriate office for their attention. The Zurich office will advise you in due course as to the number of shares purchased with your application money.

Yours sincerely,

R. Johnson.

Roy Johnson,
Executive Assistant.

RJ/ib

[illegible]

CORRESPONDENTS:
HAYDEN, STONE INCORPORATED
MEMBERS NEW YORK STOCK EXCHANGE

GENERAL DISTRIBUTORS OF
THE SECOND BAHAMAS INVESTMENT TRUST
CAPITAL GROWTH FUND: CAPITAL SECURITY FUND

NEW PROVIDENCE SECURITIES, LTD.
OTHMARSTRASSE 8
8008 ZÜRICH, SWITZERLAND
TEL. 479451 CABLE: "FIRSTBIT"

Ex B

Lt. Col. Dallas Loyd Knoll, Jr.
117 Washington Road

West Point, N.Y.

December 9, 1965

Dear Mr. Knoll:

Thank you for your $3000.00 application for shares of Capital Growth Fund. Please find enclosed the confirmation.

I would like to draw your attention to the fact that with the change in name from First Bahamas Investment Trust to Capital Growth Fund there is also a sales commission of 8.5% on the purchase of shares of Capital Growth Fund.

If you were unaware of this fact, and are not in agreement, we shall refund your money on receipt of written instructions.

Yours faithfully,

W. J. BETTER

E-14

S x C

CONFIRMATION—CUSTOMER COPY
NEW PROVIDENCE INVESTMENT PLAN FOR THE ACCUMULATION OF SHARES OF

CAPITAL GROWTH FUND

PLAN ACCT. NUMBER	NO. OF INVEST. MADE	AMOUNT OF THIS INVESTMENT	SALES AND CREATION CHARGE	INSURANCE CHARGE	PRICE PER SHARE	SHARES PURCHASED	DATE OF INVESTMENT	TOTAL SHARES HELD
F 121	1	$3000.00	$255.00	.$\frac{1}{4}$	11.08	247.743	12.7.1965	247.743

YOUR INVESTMENT DEALER

Lt. Col. and Mrs. Dallas
Loyd Knoll, Jr.
117 Washington Road
West Point, N.Y.

REPRESENTATIVE

ALL INQUIRIES SHOULD
BE DIRECTED TO
NEW PROVIDENCE SECURITIES Ltd.
50 TALACKER,
ZURICH, SWITZERLAND

5 Mar 74 Lek

E-15

ARAWAK TRUST COMPANY LIMITED

BAY STREET | P.O. BOX N-647 | NASSAU BAHAMAS
CABLE: ARAWAK NASSAU TELEPHONE 2-4[illegible]

Ex D

25th January, 1966.

Lt. Col. & Mrs. D. L. Knoll, Jr.,
117 Washington Road,
West Point, New York,
U.S.A.

Dear Mr. & Mrs. Knoll,

Capital Growth Fund

Thank you for your letter of the 18th January regarding your investment in Capital Growth Fund last November.

I am sorry that you have not been receiving up to date information on the Fund and I have requested New Providence Securities Limited, Nassau, the management company, to ensure that you are supplied with full details. For your information, the price of the shares today is $13.15.

Yours sincerely,

R. Johnson.

Roy Johnson,
Executive Assistant.

RJ/ib

5 Mar 74

ARAWAK TRUST COMPANY LIMITED
P. O. BOX 1447 | NASSAU, BAHAMAS

NASSAU BAHAMAS JAN 25 1965

1/- BAHAMAS

E-16

VIA AIR MAIL

Lt. Col. & Mrs. D. L. Knoll, Jr.,
117 Washington Road,
WEST POINT, NEW YORK,

U. S. A.

ONLY COPY AVAILABLE

NUMBER
01044 *

SHARES
247.743

CAPITAL GROWTH FUND PLAN CERTIFICATE

THIS CERTIFIES THAT Lt. Col. Dallas Loyd Knoll Jr.
Mrs. Helen Patricia Knoll

is/are the duly registered owner(s) of a FULLY PAID New Providence Investment Plan comprised of two hundred and forty-seven and 743/1000 Shares of Capital Growth Fund. This Plan is subject to the terms and conditions of the New Providence Investment Plans Prospectus and to the rights and benefits therein. New Providence Securities, Ltd., guarantees the re-purchase of this Plan Certificate at net asset value per share at the close of business of the day such request is received by the Sponsor, for the number of shares as represented herein upon the surrender of this Certificate properly endorsed.

Account Number: FG 121/000

Plan Issuance Date: 12.7.65

Sponsor:
NEW PROVIDENCE SECURITIES, LTD.

Authorized Signature

E-17

5 Mar 94

FOR VALUE RECEIVED, I/We _____

_____ being

the owner(s) of the shares referred to in this Certificate hereby sell, assign and transfer unto _____

_____ such shares.

Dated _____

_____

_____

_____

Witness _____ _____ *Transferor*

NOTICE: The signature to this Assignment must correspond with the name as written upon the face of the Certificate in every particular without alteration or enlargement or any change whatever.

NEW PROVIDENCE SECURITIES, LTD.
8 Othmarstrasse
Zurich, Switzerland

E-18

5 Mar 74

NUMERO

VPBC 00019

SHARES

100

CAPITAL GROWTH COMPANY S.A.

(Compañía de Crecimiento de Capital, Sociedad Anónima)

Apartado 7-1460, San José, Costa Rica

CERTIFICADO AL PORTADOR
BEARER CERTIFICATE
CERTIFICAT AU PORTEUR
BESCHEINIGUNG AN DEN INHABER
CERTIFICATO AL PORTATORE

ACCIONES PREFERIDAS
PREFERRED SHARES
ACTIONS PRIVILEGIEES
VORZUGSAKTIEN
TITOLI PREFERITI

Compañía constituida el 5 de mayo de 1971 por escritura otorgada ante el Notario Hernán Cordero Zúñiga e inscrita por Asiento 208, Folio 326, Tomo 96 de la Sección Mercantil del Registro Público de Costa Rica.
DURACION: 100 años DOMICILIO: San José, Costa Rica
CAPITAL: US$ 1,100,000.00

OBJETO: Implantar y administrar toda clase de empresas, negociar con toda clase de bienes, aceptar y participar en fideicomisos, garantizar operaciones comerciales, invertir en otras empresas, actuar como agente y realizar cualquier clase de contratos y actos legales.
El capital social está representado por 1.000 acciones comunes y 10.000.000 acciones preferidas, cada una por un valor de US$ 0.10 totalmente pagadas en dinero efectivo y representadas por Certificados al Portador.
El presente certificado representa CIEN Acciones Preferidas de dicha compañía de las que es propietario el portador de dicho certificado.
La Reunión Anual Ordinaria de Accionistas de Capital Growth Company S.A. se efectuará cada primer día laboral del mes de Octubre en las oficinas de la compañía en San José, Costa Rica a las 6.00 P.M., realizándose la primera en 1971.

Incorporated by document signed before Hernán Cordero Zúñiga as Notary Public on May 5, 1971 and recorded under Entry 208, Page 326, Volume 96 of the Mercantile Section of the Public Registry of Costa Rica.
DURATION: 100 years DOMICILE: San José, Costa Rica
CAPITAL: US$ 1,100,000.00

LEGAL PURPOSES: To establish and administer any kind of businesses, to negotiate on any kind of goods, to accept and participate in trusts, to guarantee commercial transactions, to invest in other companies, to be agent for other companies or persons and to carry out any kind of legal acts or contracts.
The corporate capital is represented by 1,000 common shares and 10,000,000 preferred shares, each of a par value of US$ 0.10 totally paid in cash and represented by certificates to the bearer.
This certificate represents ONE HUNDRED Preferred Shares of the company which the bearer of the same owns.
The regular Annual Meeting of Shareholders of Capital Growth Company S.A. shall be held in San José, Costa Rica at the company offices on the first business day of each month of October at 6:00 P.M. The first meeting will be held in 1971.

Constituée par document signé devant Hernán Cordero Zúñiga, notaire, le 5 mai 1971 et inscrit sous inscription no. 208, page 326, volume 96 de la Section Mercantile du Registre Public de Costa Rica.
DUREE: 100 ans SIEGE SOCIAL: San José, Costa Rica
CAPITAL: US $ 1.100.000,00

BUTS LEGAUX: L'établissement et l'administration de toute sorte d'entreprise, le commerce en toute sorte de marchandise, l'acceptation de dépôts et la participation en ceux-ci, la garantie de transactions commerciales, l'investissement en d'autres sociétés ou individus et la conduite de toute sorte d'opération ou de contrats légaux.
Le capital sociétaire est représenté par 1.000 actions ordinaires et par 10.000.000 actions privilégiées, chacune d'une valeur nominale de US $ 0.10 entièrement payés en argent liquide et représentées par certificats au porteur.
Ce certificat représente CENT Actions Privilégiées de la Société appartenant au porteur de celui-ci.
L'assemblée régulière annuelle des actionnaires de Capital Growth Company S.A., se tiendra à San José, Costa Rica, dans les locaux de la Société, le premier jour ouvrable de chaque mois d'Octobre, à 18 heures. La première assemblée se tiendra en 1971.

Eingetragen und beurkundet vor Hernán Cordero Zúñiga als oeffentlicher Notar unterzeichnet und unter Eintragung 208, Seite 326, Band 96 der Handelsabteilung des Oeffentlichen Eintragungsbuches von Costa Rica aufgezeichnet.
DAUER: 100 Jahre SITZ: San José, Costa Rica
KAPITAL: US $ 1.100.000,00

GESETZMAESSIGER ZWECK: Jede Art Geschaeftsunternehmen zu gruenden und zu fuehren, in jeder Art Waren zu handeln, Treuhandverwaltungen anzunehmen und sich an diesen zu beteiligen, Handelsgeschaefte zu garantieren, Gelder in anderen Gesellschaften anzulegen, fuer andere Gesellschaften oder Personen als Agent zu walten und jede Art rechtmaessiger Handlungen und Kontrakte auszufuehren.
Das Aktienkapital wird durch 1.000 gewoehnliche Anteile und durch 10.000.000 Vorzugsaktien dargestellt, jede mit einem Nennwert von US $ 0.10 voellig in Bargeld ausgezahlt und durch Bescheinigungen an den Inhaber dargestellt.
Diese Bescheinigung stellt HUNDERT Vorzugsaktien der Gesellschaft dar welche Besitz des Inhaber's derselben sind.
Die regelmaessige jaehrliche Hauptversammlung der Aktieninhaber der Capital Growth Company S.A. wird in San José, Costa Rica, in den Geschaeftsraeumen der Gesellschaft am ersten Arbeitstag jedes Monats Oktober um 6 Uhr Nachmittags abgehalten. Die erste Hauptversammlung wird im Jahre 1971 abgehalten.

Società constituita il 5 maggio 1971 in base al documento firmato davanti il Notaio Hernán Cordero Zúñiga e iscritto sotto Registrazione No. 208, Pagina 326, Tomo 96 della Sezione Mercantile del Registro Pubblico di Costa Rica.
DURATA: 100 anni DOMICILIO: San José, Costa Rica
CAPITALE: US $ 1.100.000,00

SCOPI LEGALI: Stabilire ed amministrare qualsiasi genere di affari, la compravendita di qualsiasi genere di mercanzzia, accettare e partecipare in depositi di custodia, garantire operazioni commerciali, investire in altre società, fare da agente per altre società a persone e concludere qualsiasi genere di contratti o azioni legali.
Il capitale della società è rappresentato per 1.000 titoli communi e 10.000.000 preferiti, ognuno dal valore nominale di US $0.10, pagati per l'intero al contante e rappresentati per certificati al portatore.
Questo certificato rappresenta CENTO Titoli Preferiti della società appartenendo al portatore dei stessi.
L'Assemblea Annuale Normale degli Azionisti della Capital Growth Company S.A. dovrà essere tenuta in San José, Costa Rica negli uffici della società nel primo giorno feriale di ogni mesa d'Ottobre alle 6:00 p.m. La prima assemblea avrà luogo in 1971.

En caso de litigio el texto en español será válido.
In case of conflict the Spanish text will control.
En cas de litige, le texte espagnol fera foi.
Im Falle eines Streitfalles ist der spanische Text gueltig.
In caso di disputa il testo in spagnolo sarà decisivo.

San José, 19 de Julio de 1971
San José, 19th of July, 1971
San José, le 19 Juillet, 1971
San José, den 19. Juli 1971
San José, 19 Luglio 1971

C.W. McAlpin
Presidente

5 Mar 74 Lot

E-19

100

Para conseguir nuevos cupones de dividendos después de la utilización de los cupones adjuntos a este talón, el portador de este talón, contra aviso por la Sociedad, deberá someter este talón a la Sociedad o a su agente designado, y recibirá una nueva hoja de cupones en cambio.

To acquire new coupons for dividends after use of the coupons attached to this talon, the bearer of this talon, after notification by the Company, should subject this talon to the Company or its designated agent, and will receive a new sheet of coupons in exchange for it.

Pour obtenir de nouveaux coupons de dividendes après utilisation des coupons attachés à ce talon le porteur de ce talon, sur avis par la Société devra soumettre ce talon au Société ou à l'agent désigné par celui-ci et recevra alors en échange une nouvelle feuille de coupons.

Um nach Verwendung aller Kupons an diesem Talon, neue Kupons zu erhalten, sollte der Inhaber nach Benachrichtigung seitens der Gesellschaft diesen Talon dem Gesellschaft oder dessen bevollmaechtigten Agenten vorlegen und wird sodann einen neuen Kuponbogen dafuer erhalten.

Per ottenere nuovi tagliandi per dividendi dopo l'uso dei tagliandi allegati alla Cedola, il portatore di questa Cedola, dopo l'avviso dalla Società, dovrebbe sottoporre questa Cedola al Società oppure al suo agente incaricato, e riceverà un nuovo foglio di tagliandi in cambio.

No. VPBC

100

AMERICAN BANK NOTE COMPANY

CAPITAL GROWTH COMPANY S.A. SAN JOSE, COSTA RICA

100 Titoli Preferiti | 100 Vorzugsaktien | 100 Actions Privilégiées | 100 Preferred Shares | 100 Acciones Preferi

Certificato / Bescheinigung / Certificat / Certificate / Certificado

No. VPBC

Pagabile dopo avviso / Zahlbar nach Aufruf / Payable sur avis / Payable after notification / Pagadero contra aviso

Tagliando No. 25 | Kupon No. 24 | Coupon No. 23 | Coupon No. 22 | Cupón N

Tagliando No. 20 | Kupon No. 19 | Coupon No. 18 | Coupon No. 17 | Cupó

Tagliando No. 15 | Kupon No. 14 | Coupon No. 13 | Coupon No. 12 | Cupón N

Tagliando No. 10 | Kupon No. 9 | Coupon No. 8 | Coupon No. 7 | Cupón N

Tagliando No. 5 | Kupon No. 4 | Coupon No. 3 | Coupon No. 2 | Cupón N

5 May 94

E-20

MEMBER

VPBC 00020

CERTIFICADO AL PORTADOR
BEARER CERTIFICATE
CERTIFICAT AU PORTEUR
BESCHEINIGUNG AN DEN INHABER
CERTIFICATO AL PORTATORE

CAPITAL GROWTH COMPANY S.A.

(Compañía de Crecimiento de Capital, Sociedad Anónima)

Apartado 7-1460, San José, Costa Rica

SHARES

100

ACCIONES PREFERIDAS
PREFERRED SHARES
ACTIONS PRIVILEGIEES
VORZUGSAKTIEN
TITOLI PREFERITI

Compañía constituída el 5 de mayo de 1971 por escritura otorgada ante el Notario Hernán Cordero Zúñiga e inscrita por Asiento 208, Folio 326, Tomo 96 de la Sección Mercantil del Registro Público de Costa Rica.
CAPITAL: US$ 1,100,000.00 DURACION: 100 años DOMICILIO: San José, Costa Rica

OBJETO: Implantar y administrar toda clase de empresas, negociar con toda clase de bienes, aceptar y participar en fideicomisos, garantizar operaciones comerciales, invertir en otras empresas, actuar como agente y realizar cualquier clase de contratos y actos legales.
El capital social está representado por 1.000 acciones comunes y 10.000.000 acciones preferidas, cada una por un valor de US$ 0,10 totalmente pagadas en dinero efectivo y representadas por Certificados al Portador.
El presente certificado representa CIEN Acciones Preferidas de dicha compañía de las que es propietario el portador de dicho certificado.
La Reunión Anual Ordinaria de Accionistas de Capital Growth Company S.A. se efectuará cada primer día laboral del mes de Octubre en las oficinas de la compañía en San José, Costa Rica a las 6.00 P.M., realizándose la primera en 1971.

Incorporated by document signed before Hernán Cordero Zúñiga as Notary Public on May 5, 1971 and recorded under Entry 208, Page 326, Volume 96 of the Mercantile Section of the Public Registry of Costa Rica.
CAPITAL: US$ 1,100,000.00 DURATION: 100 years DOMICILE: San José, Costa Rica

LEGAL PURPOSES: To establish and administer any kind of businesses, to negotiate on any kind of goods, to accept and participate in trusts, to guarantee commercial transactions, to invest in other companies, to be agent for other companies or persons and to carry out any kind of legal acts or contracts.
The corporate capital is represented by 1,000 common shares and 10,000,000 preferred shares, each of a par value of US$ 0.10 totally paid in cash and represented by certificates to the bearer.
This certificate represents ONE HUNDRED Preferred Shares of the company which the bearer of the same owns.
The regular Annual Meeting of Shareholders of Capital Growth Company S.A. shall be held in San José, Costa Rica at the company offices on the first business day of each month of October at 6:00 P.M. The first meeting will be held in 1971.

Constitué par document signé devant Hernán Cordero Zúñiga, notaire, le 5 mai 1971 et inscrit sous inscription no. 208, page 326, volume 96 de la Section Mercantile du Registre Public de Costa Rica.
CAPITAL: US $ 1.100.000,00 DUREE: 100 ans SIEGE SOCIAL: San José, Costa Rica

BUTS LEGAUX: L'établissement et l'administration de toute sorte d'entreprise, le commerce en toute sorte de marchandise, l'acceptation de dépôts et la participation en ceux-ci, la garantie de transactions commerciales, l'investissement en d'autres sociétés ou individus et la conduite de toute sorte d'opération ou de contrats légaux.
Le capital sociétaire est représenté par 1.000 actions ordinaires et par 10.000.000 actions privilégiées, chacune d'une valeur nominale de US $ 0.10 entièrement payés en argent liquide et représentées par certificats au porteur.
Ce certificat représente CENT Actions Privilégiées de la Société appartenant au porteur de celui-ci.
L'assemblée régulière annuelle des actionnaires de Capital Growth Company S.A., se tiendra à San José, Costa Rica, dans les locaux de la Société, le premier jour ouvrable de chaque mois d'Octobre, à 18 heures. La première assemblée se tiendra en 1971.

Eingetragen und beurkundet vor Hernán Cordero Zúñiga als oeffentlicher Notar unterzeichnet und unter Eintragung 208, Seite 326, Band 96 der Handelsabteilung des Oeffentlichen Eintragungsbuches von Costa Rica aufgezeichnet.
KAPITAL: US $ 1.100.000,00 DAUER: 100 Jahre SITZ: San José, Costa Rica

GESETZMAESSIGER ZWECK: Jede Art Geschaeftsunternehmen zu gruenden und zu foehren, in jeder Art Waren zu handeln, Treuhandverwaltungen anzunehmen und sich an diesen zu beteiligen, Handelsgeschaefte zu garantieren, Gelder in anderen Gesellschaften anzulegen, fuer andere Gesellschaften oder Personen als Agent zu walten und jede Art rechtmaessiger Handlugen und Kontrakte auszufuehren.
Das Aktienkapital wird durch 1.000 gewoehnliche Anteile und durch 10.000.000 Vorzugsaktien dargestellt, jede mit einem Nennwert von US $ 0.10 voellig in Bargeld ausgezahlt und durch Bescheinigungen an den Inhaber dargestellt.
Diese Bescheinigung stellt HUNDERT Vorzugsaktien der Gesellschaft dar welche Besitz des Inhabers derselben sind.
Die regelmaessige jaehrliche Hauptversammlung der Aktieneilhaber der Capital Growth Company S.A. wird in San José, Costa Rica, in den Geschaeftsraeumen der Gesellschaft am ersten Arbeitstag jedes Monats Oktober um 6 Uhr Nachmittags abgehalten. Die erste Hauptversammlung wird im Jahre 1971 abgehalten.

Società constituita il 5 maggio 1971 in base al documento firmato davanti il Notaio Hernán Cordero Zúñiga e iscritto sotto Registrazione No. 208, Pagina 326, Tomo 96 della Sezione Mercantile del Registro Pubblico di Costa Rica.
CAPITALE: US $ 1.100.000,00 DURATA: 100 anni DOMICILIO: San José, Costa Rica

SCOPI LEGALI: Stabilire ed amministrare qualsiasi genere dil affari, la compravendita di qualsiasi genere di mercanzzia, accettare e partecipare in depositi di custodia, garantire operazioni commerciali, investire in altre società fare da agente per altre società a persone e concludere qualsiasi genere di contratti o azioni legali.
Il capitale della società è rappresentato per 1.000 titoli communi e 10.000.000 preferiti, ognuno dal valore nominale di US $0,10, pagati per l'intero al contante e rappresentati per certificati al portatore.
Questo certificato rappresenta CENTO Titoli Preferiti della società appartenendo al portatore dei stessi.
L'Assemblea Annuale Normale degli Azionisti della Capital Growth Company S.A. dovrà essere tenuta in San José, Costa Rica negli uffici della società nel primo giorno feriale di ogni mesa d'Ottobre alle 6:00 p.m. La prima assemblea avrà luogo in 1971.

San José, 19 de Julio de 1971
San José, 19th of July, 1971
San José, le 19 Juillet 1971
San José, den 19. Juli 1971
San José, 19 Luglio 1971

C.W. McAfee
Presidente

5 May 74

En caso de litigio el texto en español será válido.
In case of conflict the Spanish text will control.
En cas de litige, le texte espagnol fera foi.
Im Falle eines Streitfalles ist der spanische Text guertig.
In caso di dispute il testo in spagnolo será decisivo.

F-21

AMERICAN BANK NOTE COMPANY

100

Para conseguir nuevos cupones de dividendos después de la utilización de los cupones adjuntos a este talón, el portador de este talón, contra aviso por la Sociedad, deberá someter este talón a la Sociedad o a su agente designado, y recibirá una nueva hoja de cupones en cambio.

To acquire new coupons for dividends after use of the coupons attached to this talon, the bearer of this talon, after notification by the Company, should subject this talon to the Company or its designated agent, and will receive a new sheet of coupons in exchange for it.

Pour obtenir de nouveaux coupons de dividendes après utilisation des coupons attachés à ce talon le porteur de ce talon, sur avis par la Société devra soumettre ce talon au Société ou à l'agent désigné par celui-ci et recevra alors en échange une nouvelle feuille de coupons.

Um nach Verwendung aller Kupons an diesem Talon, neue Kupons zu erhalten, sollte der Inhaber nach Benachrichtigung seitens der Gesellschaft diesen Talon dem Gesellschaft oder dessen beauftragten Agenten vorlegen und wird sodann einen neuen Kuponbogen dafuer erhalten.

Per ottenere nuovi tagliandi per dividendi dopo l'uso dei tagliandi allegati alla Cedola, il portatore di questa Cedola, dopo l'avviso della Società, dovrebbe sottoporre questa Cedola al Società oppure al suo agente incaricato, e riceverà un nuovo foglio di tagliandi in cambio.

No. VPBC

100

AMERICAN BANK NOTE COMPANY

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA
100 Titoli Preferiti
Certificato
No. VPBC 020
Pagabile dopo avviso Tagliando No.25

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA
100 Vorzugsaktien
Bescheinigung
No. VPBC 020
Zahlbar nach Aufruf Kupon No.24

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA
100 Actions Privilégiées
Certificat
No. VPBC 020
Payable sur avis Coupon No.23

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA
100 Preferred Shares
Certificate
No. VPBC 020
Payable after notification Coupon No.22

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA
100 Acciones Preferidas
Certificado
No. VPBC 020
Pagadero contra aviso Cupón No.21

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA
100 Titoli Preferiti
Certificato
No. VPBC 020
Pagabile dopo avviso Tagliando No.20

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA
100 Vorzugsaktien
Bescheinigung
No. VPBC 020
Zahlbar nach Aufruf Kupon No.19

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA
100 Actions Privilégiées
Certificat
No. VPBC 020
Payable sur avis Coupon No.18

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA
100 Preferred Shares
Certificate
No. VPBC 020
Payable after notification Coupon No.17

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA
100 Acciones Preferidas
Certificado
No. VPBC 020
Pagadero contra aviso Cupón No.16

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA
100 Titoli Preferiti
Certificato
No. VPBC 020
Pagabile dopo avviso Tagliando No.15

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA
100 Vorzugsaktien
Bescheinigung
No. VPBC 020
Zahlbar nach Aufruf Kupon No.14

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA
100 Actions Privilégiées
Certificat
No. VPBC 020
Payable sur avis Coupon No.13

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA
100 Preferred Shares
Certificate
No. VPBC 020
Payable after notification Coupon No.12

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA
100 Acciones Preferidas
Certificado
No. VPBC 020
Pagadero contra aviso Cupón No.11

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA
100 Titoli Preferiti
Certificato
No. VPBC 020
Pagabile dopo avviso Tagliando No.10

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA
100 Vorzugsaktien
Bescheinigung
No. VPBC 020
Zahlbar nach Aufruf Kupon No.9

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA
100 Actions Privilégiées
Certificat
No. VPBC 020
Payable sur avis Coupon No.8

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA
100 Preferred Shares
Certificate
No. VPBC 020
Payable after notification Coupon No.7

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA
100 Acciones Preferidas
Certificado
No. VPBC 020
Pagadero contra aviso Cupón No.6

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA
100 Titoli Preferiti
Certificato
No. VPBC 020
Pagabile dopo avviso Tagliando No.5

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA
100 Vorzugsaktien
Bescheinigung
No. VPBC 020
Zahlbar nach Aufruf Kupon No.4

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA
100 Actions Privilégiées
Certificat
No. VPBC 020
Payable sur avis Coupon No.3

3 Mai 94
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CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA
100 Preferred Shares
Certificate
No. VPBC 020
Payable after notification Coupon No.2

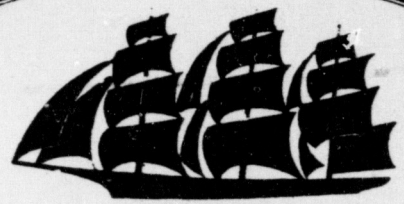
CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA
100 Acciones Preferidas
Certificado
No. VPBC 020
Pagadero contra aviso Cupón No.1

E-22

NUMERO

VPBQ 00019

CERTIFICADO AL PORTADOR
BEARER CERTIFICATE
CERTIFICAT AU PORTEUR
BESCHEINIGUNG AN DEN INHABER
CERTIFICATO AL PORTATORE



CAPITAL GROWTH COMPANY S.A.

(Compañía de Crecimiento de Capital, Sociedad Anónima)

Apartado 7-1460, San José, Costa Rica

SHARES
25

ACCIONES PREFERIDAS
PREFERRED SHARES
ACTIONS PRIVILEGIEES
VORZUGSAKTIEN
TITOLI PREFERITI

Compañía constituida el 5 de mayo de 1971 por escritura otorgada ante el Notario Hernán Cordero Zúñiga e inscrita por Asiento 208, Folio 326, Tomo 96 de la Sección Mercantil del Registro Público de Costa Rica.
CAPITAL: US$ 1,100,000.00 DURACION: 100 años DOMICILIO: San José, Costa Rica

OBJETO: Implantar y administrar toda clase de empresas, negociar con toda clase de bienes, aceptar y participar en fideicomisos, garantizar operaciones comerciales, invertir en otras empresas, actuar como agente y realizar cualquier clase de contratos y actos legales.
El capital social está representado por 1.000 acciones comunes y 10.000.000 acciones preferidas, cada una por un valor de US$ 0,10 totalmente pagadas en dinero efectivo y representadas por Certificados al Portador.
El presente certificado representa VIENTICINCO Acciones Preferidas de dicha compañía de las que es propietario el portador de dicho certificado.
La Reunión Anual Ordinaria de Accionistas de Capital Growth Company S.A. se efectuará cada primer día laboral del mes de Octubre en las oficinas de la compañía en San José, Costa Rica a las 6.00 P.M., realizándose la primera en 19

Incorporated by document signed before Hernán Cordero Zúñiga as Notary Public on May 5, 1971 and recorded under Entry 208, Page 326, Volume 96 of the Mercantile Section of the Public Registry of Costa Rica.
CAPITAL: US$ 1,100,000.00 DURATION: 100 years DOMICILE: San José, Costa Rica

LEGAL PURPOSES: To establish and administer any kind of businesses, to negotiate on any kind of goods, to accept and participate in trusts, to guarantee commercial transactions, to invest in other companies, to be agent for other companies persons and to carry out any kind of legal acts or contracts.
The corporate capital is represented by 1,000 common shares and 10,000,000 preferred shares, each of a par value of US$ 0.10 totally paid in cash and represented by certificates to the bearer.
This certificate represents TWENTY FIVE Preferred Shares of the company which the bearer of the same owns.
The regular Annual Meeting of Shareholders of Capital Growth Company S.A. shall be held in San José, Costa Rica at the company offices on the first business day of each month of October at 6:00 P.M. The first meeting will be held in 19

Constituée par document signé devant Hernán Cordero Zúñiga, notaire, le 5 mai 1971 et inscrit sous inscription no. 208, page 326, volume 96 de la Section Mercantile du Registre Public de Costa Rica.
CAPITAL: US $ 1.100.000,00 DUREE: 100 ans SIEGE SOCIAL: San José, Costa Rica

BUTS LEGAUX: L'etablissement et l'administration de toute sorte d'entreprise, le commerce en toute sorte de marchandise, l'acceptation de dépôts et la participation en ceux-ci, la garantie de transactions commerciales, l'investissement d'autres sociétés ou individus et la conduite de toute sorte d'opération ou de contrats légaux.
Le capital sociétaire est représenté par 1.000 actions ordinaires et par 10.000.000 actions privilégiées, chacune d'une valeur nominale de US $ 0.10 entièrement payés en argent liquide et représentées par certificats au porteur.
Ce certificat représente VINGT-CINQ Actions Privilégiées de la Société appartenant au porteur de celui-ci.
L'assemblée régulière annuelle des actionnaires de Capital Growth Company S.A., se tiendra à San José, Costa Rica, dans les locaux de la Société, le premier jour ouvrable de chaque mois d'Octobre, à 18 heures. La première assemblée tiendra en 1971.

Eingetragen und beurkundet vor Hernán Cordero Zúñiga als oeffentlicher Notar unterzeichnet und unter Eintragung 208, Seite 326, Band 96 der Handelsabteilung des Oeffentlichen Eintragungsbuches von Costa Rica aufgezeichnet.
KAPITAL: US $ 1.100.000,00 DAUER: 100 Jahre SITZ: San José, Costa Rica

GESETZMAESSIGER ZWECK: Jede Art Geschaeftsunternehmen zu gruenden und zu fuehren, in jeder Art Waren zu handeln, Treuhandverwaltungen anzunehmen und sich an diesen zu beteiligen, Handelsgeschaefte zu garantieren, Gelder in anderen Gesellschaften anzulegen, fuer andere Gesellschaften oder Personen als Agent zu walten und jede Art rechtmaessiger Handlungen und Kontrakte auszufuehren.
Das Aktienkapital wird durch 1.000 gewoehnliche Anteile und durch 10.000.000 Vorzugsaktien dargestellt, jede mit einem Nennwert von US $ 0.10 voellig in Bargeld ausgezahlt und durch Bescheinigungen an den Inhaber dargestellt.
Diese Bescheinigung stellt FUNF UND ZWANZIG Vorzugsaktien der Gesellschaft dar welche Besitz des Inhaber's derselben sind.
Die regelmaessige jaehrliche Hauptversammlung der Aktieninhaber der Capital Growth Company S.A. wird in San José, Costa Rica, in den Geschaeftsraeumen der Gesellschaft am ersten Arbeitstag jedes Monats Oktober um 6 Uhr Nachmittags abgehalten. Die erste Hauptversammlung wird im Jahre 1971 abgehalten.

Società constituita il 5 maggio 1971 in base al documento firmato davanti il Notaio Hernán Cordero Zúñiga e iscritto sotto Registrazione No. 208, Pagina 326, Tomo 96 della Sezione Mercantile del Registro Pubblico di Costa Rica.
CAPITALE: US $ 1.100.000,00 DURATA: 100 anni DOMICILIO: San José, Costa Rica

SCOPI LEGALI: Stabilire ed amministrare qualsiasi genere di affari, la compravendita di qualsiasi genere di mercanzia, accettare e partecipare in depositi di custodia, garantire operazioni commerciali, investire in altre società, fare da agente per altre società a persone e concludere qualsiasi genere di contratti o azioni legali.
Il capitale della società è rappresentato per 1.000 titoli comuni e 10.000.000 preferiti, ognuno del valore nominale di US $0.10, pagati per l'intero al contante e rappresentati per certificati al portatore.
Questo certificato rappresenta VENTICINQUE Titoli Preferiti della società appartenendo al portatore dei stessi.
L'Assemblea Annuale Normale degli Azionisti della Capital Growth Company S.A. dovrà essere tenuta in San José, Costa Rica negli uffici della società nel primo giorno feriale di ogni mese d'Ottobre alle 6:00 p.m. La prima assemblea avrà luogo in 19

San José 19 de Julio de 1971
San José, 19th of July, 1971
San José, le 19 Juillet, 1971
San José, den 19. Juli 1971
San José, 19 Luglio 1971

En caso de litigio el texto en español será válido.
In case of conflict the Spanish text will control.
En cas de litige, le texte espagnol fera foi.
Im Falle eines Streitfalles ist der spanische Text gueltig.
In caso di dispute il testo in spagnolo sarà decisivo.

Presidente

5 Mar 74
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E-23

Para conseguir nuevos cupones de dividendos después de la utilización de los cupones adjuntos a este título, el portador de este título, deberá presentar este título a la Sociedad o a un agente designado, y recibirá una nueva hoja de cupones en cambio.

To acquire new coupons for dividends after use of the coupons attached to this talon, the bearer of this talon, after notification by the Company, should subject this talon to the Company or its designated agent, and will receive a new sheet of coupons in exchange for it.

Pour obtenir de nouveaux coupons de dividendes après utilisation des coupons attachés à ce talon le porteur de ce talon, sur avis par la Société devra présenter ce talon au Société ou à l'agent désigné par celui-ci et recevra alors en échange une nouvelle feuille de coupons.

Um nach Verwendung aller Kupons an diesem Talon, neue Kupons zu erhalten, sollte der Inhaber nach Benachrichtigung seitens der Gesellschaft diesen Talon dem Gesellschaft oder dessen bevollmaechtigten Agenten vorlegen und wird seitdem einen neuen Kupondbogen dafuer erhalten.

Per ottenere nuovi buoni dividendi dopo l'uso dei buoni allegati alla Cedola, il portatore di questa Cedola, dopo l'avviso della Società, dovrebbe sottoporre questa Cedola al Società oppure al suo agente incaricato, e riceverà un nuovo foglio di tagliandi in cambio.

No. VPBQ

AMERICAN BANK NOTE COMPANY.

25

E-24

CAPITAL GROWTH COMPANY S.A. SAN JOSE, COSTA RICA
25 Titoli Preferiti
Certificato No. VPBQ 019
Dopo avviso Tagliando No.25

CAPITAL GROWTH COMPANY S.A. SAN JOSE, COSTA RICA
25 Vorzugsaktien
Bescheinigung No. VPBQ 019
Zahlbar nach Aufruf Kupon No.24

CAPITAL GROWTH COMPANY S.A. SAN JOSE, COSTA RICA
25 Actions Privilégiées
Certificat No. VPBQ 019
Payable sur avis Coupon No.23

CAPITAL GROWTH COMPANY S.A. SAN JOSE, COSTA RICA
25 Preferred Shares
Certificate No. VPBQ 019
Payable after notification Coupon No.22

CAPITAL GROWTH COMPANY S.A. SAN JOSE, COSTA RICA
25 Acciones Preferidas
Certificado No. VPBQ 019
Pagadero contra aviso Cupón No.21

CAPITAL GROWTH COMPANY S.A. SAN JOSE, COSTA RICA
25 Titoli Preferiti
Certificato No. VPBQ 019
Dopo avviso Tagliando No.20

CAPITAL GROWTH COMPANY S.A. SAN JOSE, COSTA RICA
25 Vorzugsaktien
Bescheinigung No. VPBQ 019
Zahlbar nach Aufruf Kupon No.19

CAPITAL GROWTH COMPANY S.A. SAN JOSE, COSTA RICA
25 Actions Privilégiées
Certificat No. VPBQ 019
Payable sur avis Coupon No.18

CAPITAL GROWTH COMPANY S.A. SAN JOSE, COSTA RICA
25 Preferred Shares
Certificate No. VPBQ 019
Payable after notification Coupon No.17

CAPITAL GROWTH COMPANY S.A. SAN JOSE, COSTA RICA
25 Acciones Preferidas
Certificado No. VPBQ 019
Pagadero contra aviso Cupón No.16

CAPITAL GROWTH COMPANY S.A. SAN JOSE, COSTA RICA
25 Titoli Preferiti
Certificato No. VPBQ 019
Dopo avviso Tagliando No.15

CAPITAL GROWTH COMPANY S.A. SAN JOSE, COSTA RICA
25 Vorzugsaktien
Bescheinigung No. VPBQ 019
Zahlbar nach Aufruf Kupon No.14

CAPITAL GROWTH COMPANY S.A. SAN JOSE, COSTA RICA
25 Actions Privilégiées
Certificat No. VPBQ 019
Payable sur avis Coupon No.13

CAPITAL GROWTH COMPANY S.A. SAN JOSE, COSTA RICA
25 Preferred Shares
Certificate No. VPBQ 019
Payable after notification Coupon No.12

CAPITAL GROWTH COMPANY S.A. SAN JOSE, COSTA RICA
25 Acciones Preferidas
Certificado No. VPBQ 019
Pagadero contra aviso Cupón No.11

CAPITAL GROWTH COMPANY S.A. SAN JOSE, COSTA RICA
25 Titoli Preferiti
Certificato No. VPBQ 019
Dopo avviso Tagliando No.10

CAPITAL GROWTH COMPANY S.A. SAN JO E, COSTA RICA
25 Vorzugsaktien
Bescheinigung No. VPBQ 019
Zahlbar nach Aufruf Kupon No.9

CAPITAL GROWTH COMPANY S.A. SAN JOSE, COSTA RICA
25 Actions Privilégiées
Certificat No. VPBQ 019
Payable sur avis Coupon No.8

CAPITAL GROWTH COMPANY S.A. SAN JOSE, COSTA RICA
25 Preferred Shares
Certificate No. VPBQ 019
Payable after notification Coupon No.7

CAPITAL GROWTH COMPANY S.A. SAN JOSE, COSTA RICA
25 Acciones Preferidas
Certificado No. VPBQ 019
Pagadero contra aviso Cupón No.6

CAPITAL GROWTH COMPANY S.A. SAN JOSE, COSTA RICA
25 Titoli Preferiti
Certificato No. VPBQ 019
Dopo avviso Tagliando No.5

CAPITAL GROWTH COMPANY S.A. SAN JOSE, COSTA RICA
25 Vorzugsaktien
Bescheinigung No. VPBQ 019
Zahlbar nach Aufruf Kupon No.4

CAPITAL GROWTH COMPANY S.A. SAN JOSE, COSTA RICA
25 Actions Privilégiées
Certificat No. VPBQ 019
Payable sur avis Coupon No.3

CAPITAL GROWTH COMPANY S.A. SAN JOSE, COSTA RICA
25 Preferred Shares
Certificate No. VPBQ 019
Payable after notification Coupon No.2

CAPITAL GROWTH COMPANY S.A. SAN JOSE, COSTA RICA
25 Acciones Preferidas
Certificado No. VPBQ 019
Pagadero contra aviso Cupón No.1

MEMBER

VPBX [illegible]

CERTIFICADO AL PORTADOR
BEARER CERTIFICATE
CERTIFICAT AU PORTEUR
INSCHREIBUNG AN DEN INHABER
CERTIFICATO AL PORTATORE

CAPITAL GROWTH COMPANY S.A.

(Compañía de Crecimiento de Capital, Sociedad Anónima)

Apartado 7-1460, San José, Costa Rica

SERIES

10

ACCIONES PREFERIDAS
PREFERRED SHARES
ACTIONS PRIVILEGIEES
VORZUGSAKTIEN
TITOLI PREFERITI

Compañía constituida el 5 de mayo de 1971 por escritura otorgada ante el Notario Hernán Cordero Zúñiga e inscrita por Asiento 208, Folio 326, Tomo 96 de la Sección Mercantil del Registro Público de Costa Rica.
CAPITAL: US$ 1,100,000.00 DURACION: 100 años DOMICILIO: San José, Costa Rica

OBJETO: Implantar y administrar toda clase de empresas, negociar con toda clase de bienes, aceptar y participar en fideicomisos, garantizar operaciones comerciales, invertir en otras empresas, actuar como agente y realizar cualquier clase contratos y actos legales.
El capital social está representado por 1.000 acciones comunes y 10.000.000 acciones preferidas, cada una por un valor de US$ 0,10 totalmente pagadas en dinero efectivo y representadas por Certificados al Portador.
El presente certificado representa DIEZ Acciones Preferidas de dicha compañía de las que es propietario el portador de dicho certificado.
La Reunión Anual Ordinaria de Accionistas de Capital Growth Company S.A. se efectuará cada primer día laboral del mes de Octubre en las oficinas de la compañía en San José, Costa Rica a las 6.00 P.M., realizándose la primera en 19

Incorporated by document signed before Hernán Cordero Zúñiga as Notary Public on May 5, 1971 and recorded under Entry 208, Page 326, Volume 96 of the Mercantile Section of the Public Registry of Costa Rica.
CAPITAL: US$ 1,100,000.00 DURATION: 100 years DOMICILE: San José, Costa Rica

LEGAL PURPOSES: To establish and administer any kind of businesses, to negotiate on any kind of goods, to accept and participate in trusts, to guarantee commercial transactions, to invest in other companies, to be agent for other companies persons, and to carry out any kind of legal acts or contracts.
The corporate capital is represented by 1,000 common shares and 10,000,000 preferred shares, each of a par value of US$ 0.10 totally paid in cash and represented by certificates to the bearer.
This certificate represents TEN Preferred Shares of the company which the bearer of the same owns.
The regular Annual Meeting of Shareholders of Capital Growth Company S.A. shall be held in San José, Costa Rica at the company offices on the first business day of each month of October at 6:00 P.M. The first meeting will be held in 19

Constituée par document signé devant Hernán Cordero Zúñiga, notaire, le 5 mai 1971 et inscrit sous inscription no. 208, page 326, volume 96 de la Section Mercantile du Registre Public de Costa Rica.
CAPITAL: US $ 1.100.000,00 DURÉE: 100 ans SIÈGE SOCIAL: San José, Costa Rica

BUTS LEGAUX: L'établissement et l'administration de toute sorte d'entreprise, le commerce en toute sorte de marchandise, l'acceptation de dépôts et la participation en ceux-ci, la garantie de transactions commerciales, l'investissement d'autres sociétés ou individus et la conduite de toute sorte d'opération ou de contrats légaux.
Le capital sociétaire est représenté par 1.000 actions ordinaires et par 10.000.000 actions privilégiées, chacune d'une valeur nominale de US $ 0.10 entièrement payés en argent liquide et représentées par certificats au porteur.
Ce certificat représente DIX Actions Privilégiées de la Société appartenant au porteur de celui-ci.
L'assemblée régulière annuelle des actionnaires de Capital Growth Company S.A., se tiendra à San José, Costa Rica, dans les locaux de la Société, le premier jour ouvrable de chaque mois d'Octobre, à 18 heures. La première assemblée tiendra en 1971.

Eingetragen und beurkundet vor Hernán Cordero Zúñiga als oeffentlicher Notar unterzeichnet und unter Eintragung 208, Seite 326, Band 96 der Handelsabteilung des Oeffentlichen Eintragungsbuches von Costa Rica aufgezeichnet.
KAPITAL: US $ 1.100.000,00 DAUER: 100 Jahre SITZ: San José, Costa Rica

GESETZMAESSIGER ZWECK: Jede Art Geschaeftsunternehmen zu gruenden und zu fuehren, in jeder Art Waren zu handeln, Treuhandverwaltungen anzunehmen und sich an diesen zu beteiligen, Handelsgeschaefte zu garantieren, Gelder in anderen Gesellschaften anzulegen, fuer andere Gesellschaften oder Personen als Agent zu walten und jede Art rechtmaessiger Handlungen und Kontrakte auszufuehren.
Das Aktienkapital wird durch 1.000 gewoehnliche Anteile und durch 10.000.000 Vorzugsaktien dargestellt, jede mit einem Nennwert von US $ 0.10 voellig in Bargeld ausgezahlt und durch Bescheinigungen an den Inhaber dargestellt.
Diese Bescheinigung stellt ZEHN Vorzugsaktien der Gesellschaft dar welche Besitz des Inhabers derselben sind.
Die regelmaessige jaehrliche Hauptversammlung der Aktieninhaber der Capital Growth Company S.A. wird in San José, Costa Rica, in den Geschaeftsraeumen der Gesellschaft am ersten Arbeitstag jedes Monats Oktober um 6 Uhr Nachmit abgehalten. Die erste Hauptversammlung wird im Jahre 1971 abgehalten.

Società constituita il 5 maggio 1971 in base al documento firmato davanti il Notaio Hernán Cordero Zúñiga e iscritto sotto Registrazione No. 208, Pagina 326, Tomo 96 della Sezione Mercantile del Registro Pubblico di Costa Rica.
CAPITALE: US $ 1.100.000,00 DURATA: 100 anni DOMICILIO: San José, Costa Rica

SCOPI LEGALI: Stabilire ed amministrare qualsiasi genere di affari, la compravendita di qualsiasi genere di mercanzia, accettare e partecipare in depositi di custodia, garantire operazioni commerciali, investire in altre società, fare da ag per altre società e persone e concludere qualsiasi genere di contratti o azioni legali.
Il capitale della società è rappresentato per 1.000 titoli comuni e 10.000.000 preferiti, ognuno dal valore nominale di US $0,10, pagati per l'intero al contante e rappresentati per certificati al portatore.
Questo certificato rappresenta DIECI Titoli Preferiti della società appartenendo al portatore del stessi.
L'Assemblea Annuale Normale degli Azionisti della Capital Growth Company S.A. dovrà essere tenuta in San José, Costa Rica negli uffici della società nel primo giorno feriale di ogni mese d'Ottobre alle 6:00 p.m. La prima assemblea avrà luogo in 1

San José, 19 de Julio de 1971
San José, 19th of July, 1971
San José, le 19 Juillet, 1971
San José, den 19. Juli 1971
San José, 19 Luglio 1971

En caso de litigio el texto en español será válido.
In case of conflict the Spanish text will control.
En cas de litige, le texte espagnol fera foi.
Im Falle eines Streitfalles ist der spanische Text guelt
In caso di disputa il testo in spagnolo sarà decisivo.

CWMcAlpin
Presidente

5 Mar 74
hpk

E-25

Para conseguir nuevos cupones de dividendos después de la utilización de los cupones adjuntos a este talón, el portador de este talón, contra entrega por la Sociedad, deberá someter este talón a la Sociedad o a un agente designado, y recibirá una nueva hoja de cupones en cambio.

To acquire new coupons for dividends after use of the coupons attached to this talon, the bearer of this talon, after notification by the Company, should subject this talon to the Company or its designated agent, and will receive a new sheet of coupons in exchange for it.

Pour obtenir de nouveaux coupons de dividendes après utilisation des coupons attachés à ce talon le porteur de ce talon, sur avis par la Société devra soumettre ce talon au Société ou à l'agent désigné par celui-ci et recevra alors en échange une nouvelle feuille de coupons.

Um nach Verwendung der Kupons an diesem Talon, neue Kupons zu erhalten, sollte der Inhaber nach Benachrichtigung seitens der Gesellschaft diesen Talon dem Gesellschaft oder dessen bevollmächtigten Agenten vorlegen und wird sodann einen neuen Kuponbogen dafür erhalten.

Per ottenere nuovi tagliandi per dividendi dopo l'uso dei tagliandi allegati alla Cedola, il portatore di questa Cedola, dopo l'avviso della Società, dovrebbe sottoporre questa Cedola al Società oppure al suo agente incaricato, e riceverà un nuovo foglio di tagliandi in cambio

No. VPBX

10

CAPITAL GROWTH COMPANY S.A.
SAN JOSE COSTA RICA
10 Titoli Preferiti
Tagliando No 25

CAPITAL GROWTH COMPANY S.A.
SAN JOSE COSTA RICA
10 Titoli Preferiti
Tagliando No 20

CAPITAL GROWTH COMPANY S.A.
SAN JOSE COSTA RICA
10 Titoli Preferiti
Tagliando No.15

CAPITAL GROWTH COMPANY S.A.
SAN JOSE COSTA RICA
10 Titoli Preferiti
Tagliando No 10

CAPITAL GROWTH COMPANY S.A.
SAN JOSE COSTA RICA
10 Titoli Preferiti
Tagliando No.5

CAPITAL GROWTH COMPANY S.A.
SAN JOSE COSTA RICA
10 Vorzugsaktien
Bescheinigung
No. VPBX
Kupon No.24

CAPITAL GROWTH COMPANY S.A.
SAN JOSE COSTA RICA
10 Vorzugsaktien
Bescheinigung
No. VPBX
Kupon No.19

CAPITAL GROWTH COMPANY S.A.
SAN JOSE COSTA RICA
10 Vorzugsaktien
Bescheinigung
No. VPBX
Kupon No.14

CAPITAL GROWTH COMPANY S.A.
SAN JOSE COSTA RICA
10 Vorzugsaktien
Bescheinigung
No. VPBX
Kupon No.9

CAPITAL GROWTH COMPANY S.A.
SAN JOSE COSTA RICA
10 Vorzugsaktien
Bescheinigung
No. VPBX
Kupon No 4

CAPITAL GROWTH COMPANY S.A.
SAN JOSE COSTA RICA
10 Actions Privilégiées
Certificat
No. VPBX
Coupon No.23

CAPITAL GROWTH COMPANY S.A.
SAN JOSE COSTA RICA
10 Actions Privilégiées
Certificat
No. VPBX
Coupon No.18

CAPITAL GROWTH COMPANY S.A.
SAN JOSE COSTA RICA
10 Actions Privilégiées
Certificat
No. VPBX
Coupon No.13

CAPITAL GROWTH COMPANY S.A.
SAN JOSE COSTA RICA
10 Actions Privilégiées
Certificat
No. VPBX
Coupon No.8

CAPITAL GROWTH COMPANY S.A.
SAN JOSE COSTA RICA
10 Actions Privilégiées
Certificat
No. VPBX
Coupon No.3

CAPITAL GROWTH COMPANY S.A.
SAN JOSE COSTA RICA
10 Preferred Shares
Certificate
No. VPBX
Coupon No.22

CAPITAL GROWTH COMPANY S.A.
SAN JOSE COSTA RICA
10 Preferred Shares
Certificate
No. VPBX
Coupon No.17

CAPITAL GROWTH COMPANY S.A.
SAN JOSE COSTA RICA
10 Preferred Shares
Certificate
No. VPBX
Coupon No.12

CAPITAL GROWTH COMPANY S.A.
SAN JOSE COSTA RICA
10 Preferred Shares
Certificate
No. VPBX
Coupon No.7

CAPITAL GROWTH COMPANY S.A.
SAN JOSE COSTA RICA
10 Preferred Shares
Certificate
No. VPBX
Coupon No.2

CAPITAL GROWTH COMPANY S.A.
SAN JOSE COSTA RICA
10 Acciones Preferidas
Certificado
No. VPBX
Cupón No.21

CAPITAL GROWTH COMPANY S.A.
SAN JOSE COSTA RICA
10 Acciones Preferidas
Certificado
No. VPBX
Cupón No.16

CAPITAL GROWTH COMPANY S.A.
SAN JOSE COSTA RICA
10 Acciones Preferidas
Certificado
No. VPBX
Cupón No.11

CAPITAL GROWTH COMPANY S.A.
SAN JOSE COSTA RICA
10 Acciones Preferidas
Certificado
No. VPBX
Cupón No.6

CAPITAL GROWTH COMPANY S.A.
SAN JOSE COSTA RICA
10 Acciones Preferidas
Certificado
No. VPBX
Cupón No.1

E-26

ONLY COPY AVAILABLE

SAN JOSE COSTA RICA

Ex J

VPRX 000010

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CAPITAL GROWTH COMPANY S.A.

(Compañía de Crecimiento de Capital, Sociedad Anónima)

Apartado 7-1460, San José, Costa Rica

CERTIFICADO AL PORTADOR
BEARER CERTIFICATE
CERTIFICAT AU PORTEUR
INSCHREIBUNG AN DEN INHABER
CERTIFICATO AL PORTATORE

ACCIONES PREFERIDAS
PREFERRED SHARES
ACTIONS PRIVILEGIEES
VORZUGSAKTIEN
TITOLI PREFERITI

Compañía constituida el 5 de mayo de 1971 por escritura otorgada ante el Notario Hernán Cordero Zúñiga e inscrita por Asiento 208, Folio 326, Tomo 96 de la Sección Mercantil del Registro Público de Costa Rica.
CAPITAL: US$ 1,100,000.00 DURACION: 100 años DOMICILIO: San José, Costa Rica

OBJETO: Implantar y administrar toda clase de empresas, negociar con toda clase de bienes, aceptar y participar en fideicomisos, garantizar operaciones comerciales, invertir en otras empresas, actuar como agente y realizar cualquier clase contratos y actos legales.
El capital social está representado por 1.000 acciones comunes y 10.000.000 acciones preferidas, cada una por un valor de US$ 0,10 totalmente pagadas en dinero efectivo y representadas por Certificados al Portador.
El presente certificado representa DIEZ Acciones Preferidas de dicha compañía de las que es propietario el portador de dicho certificado.
La Reunión Anual Ordinaria de Accionistas de Capital Growth Company S.A. se efectuará cada primer día laboral del mes de Octubre en las oficinas de la compañía en San José, Costa Rica a las 6.00 P.M., realizándose la primera en 19

Incorporated by document signed before Hernán Cordero Zúñiga as Notary Public on May 5, 1971 and recorded under Entry 208, Page 326, Volume 96 of the Mercantile Section of the Public Registry of Costa Rica.
CAPITAL: US$ 1,100,000.00 DURATION: 100 years DOMICILE: San José, Costa Rica

LEGAL PURPOSES: To establish and administer any kind of businesses, to negotiate on any kind of goods, to accept and participate in trusts, to guarantee commercial transactions, to invest in other companies, to be agent for other companies persons and to carry out any kind of legal acts or contracts.
The corporate capital is represented by 1,000 common shares and 10,000,000 preferred shares, each of a par value of US$ 0.10 totally paid in cash and represented by certificates to the bearer.
This certificate represents TEN Preferred Shares of the company which the bearer of the same owns.
The regular Annual Meeting of Shareholders of Capital Growth Company S.A. shall be held in San José, Costa Rica at the company offices on the first business day of each month of October at 6:00 P.M. The first meeting will be held in 19

Constituée par document signé devant Hernán Cordero Zúñiga, notaire, le 5 mai 1971 et inscrit sous inscription no. 208, page 326, volume 96 de la Section Mercantile du Registre Public de Costa Rica.
CAPITAL: US $ 1.100.000,00 DUREE: 100 ans SIEGE SOCIAL: San José, Costa Rica

BUTS LEGAUX: L'établissement et l'administration de toute sorte d'entreprise, le commerce en toute sorte de marchandise, l'acceptation de dépôts et la participation en ceux-ci, la garantie de transactions commerciales, l'investissement d'autres sociétés ou individus et la conduite de toute sorte d'opération ou de contrats légaux.
Le capital sociétaire est représenté par 1.000 actions ordinaires et par 10.000.000 actions privilégiées, chacune d'une valeur nominale de US $ 0.10 entièrement payés en argent liquide et représentées par certificats au porteur.
Ce certificat représente DIX Actions Privilégiées de la Société appartenant au porteur de celui-ci.
L'assemblée régulière annuelle des actionnaires de Capital Growth Company S.A., se tiendra à San José, Costa Rica, dans les locaux de la Société, le premier jour ouvrable de chaque mois d'Octobre, à 18 heures. La première assemblée tiendra en 1971.

Eingetragen und beurkundet vor Hernán Cordero Zúñiga als oeffentlicher Notar unterzeichnet und unter Eintragung 208, Seite 326, Band 96 der Handelsabteilung des Oeffentlichen Eintragungsbuches von Costa Rica aufgezeichnet.
KAPITAL: US $ 1.100.000,00 DAUER: 100 Jahre SITZ: San José, Costa Rica

GESETZMAESSIGER ZWECK: Jede Art Geschaeftsunternehmen zu gruenden und zu fuehren, in jeder Art Waren zu handeln, Treuhandverwaltungen anzunehmen und sich an diesen zu beteiligen, Handelsgeschaefte zu garantieren, Gelder an anderen Gesellschaften anzulegen, fuer andere Gesellschaften oder Personen als Agent zu walten und jede Art rechtmaessiger Handlungen und Kontrakte auszufuehren.
Das Aktienkapital wird durch 1.000 gewoehnliche Anteile und durch 10.000.000 Vorzugsaktien dargestellt, jede mit einem Nennwert von US $ 0.10 voellig in Bargeld aufgezahlt und durch Bescheinigungen an den Inhaber dargestellt.
Diese Bescheinigung stellt ZEHN Vorzugsaktien der Gesellschaft dar welche Besitz des Inhaber's derselben sind.
Die regelmaessige jaehrliche Hauptversammlung der Aktieninhaber der Capital Growth Company S.A. wird in San José, Costa Rica, in den Geschaeftsraeumen der Gesellschaft am ersten Arbeitstag jedes Monats Oktober um 6 Uhr Nachmitt. abgehalten. Die erste Hauptversammlung wird im Jahre 1971 abgehaltra.

Società constituita il 5 maggio 1971 in base al documento firmato davanti il Notaio Hernán Cordero Zúñiga e iscritto sotto Registrazione No. 208, Pagina 326, Tomo 96 della Sezione Mercantile del Registro Pubblico di Costa Rica.
CAPITALE: US $ 1.100.000,00 DURATA: 100 anni DOMICILIO: San José, Costa Rica

SCOPI LEGALI: Stabilire ed amministrare qualsiasi genere di affari, la compravendita di qualsiasi genere di merceanzia, accettare e partecipare in depositi di custodia, garantire operazioni commerciali, investire in altre società, fare da agente per altre società a persone e concludere qualsiasi genere di contratti o azioni legali.
Il capitale della società è rappresentato per 1.000 titoli comuni e 10.000.000 preferiti, ognuno dal valore nominale di US $0,10, pagati per l'intero al contante e rappresentati per certificati al portatore.
Questo certificato rappresenta DIECI Titoli Preferiti della società appartenendo al portatore dei stessi.
L'Assemblea Annuale Normale degli Azionisti della Capital Growth Company S.A. dovrà essere tenuta in San José, Costa Rica negli uffici della società nel primo giorno feriale di ogni mese d'Ottobre alle 6:00 p.m. La prima assemblea avrà luogo in 15

San José, 19 de Julio de 1971
San José, 19th of July, 1971
San José, le 19 Juillet, 1971
San José, den 19. Juli 1971
San José, 19 Luglio 1971

Clem McAlpin
Presidente

5 Mar 74
Lpk

En caso de litigio el texto en español será válido.
In case of conflict the Spanish text will control.
En cas de litige, le texte espagnol fera foi.
Im Falle eines Streitfalles ist der spanische Text guetig
In caso di disputa il testo in spagnolo sarà decisivo.

E-27

Para conseguir nuevos cupones de dividendos después de la utilización de los cupones adjuntos a este título, al portador de este título, sendos antes por la Sociedad, deberá remitir este título a la Sociedad o a su agente designado, y recibirá una nueva hoja de cupones en cambio.

To acquire new coupons for dividends after use of the coupons attached to this talon, the bearer of this talon, after notification by the Company, should subject this talon to the Company or its designated agent, and will receive a new sheet of coupons in exchange for it.

Pour obtenir de nouveaux coupons de dividendes après utilisation des coupons attachés à ce talon le porteur de ce talon, sur avis par la Société devra soumettre ce talon au Société ou à l'agent désigné par celui-ci et recevra alors en échange une nouvelle feuille de coupons.

Um nach Verwendung aller an diesem Talon, neue Kupons zu erhalten, sollte der Inhaber dieses Bescheinigung seitens der Gesellschaft diesen Talon zum Gesellschaft oder dessen bevollmächtigten Agenten vorlegen und wird sodann einen neuen Kupenbogen dafür erhalten.

Per ottenere nuovi tagliandi per dividendi dopo l'uso dei tagliandi allegati allo Cedola, il portatore di questa Cedola, dopo l'avviso della Società, dovrebbe sottoporre questa Cedola al Società oppure al suo agente incaricato, e riceverà un nuovo foglio di tagliandi in cambio.

10

No. VPBX

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA
10 Titoli Preferiti
Certificato
No. VPBX
Pagadero contra aviso Tagliando No.25

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA
10 Verzugsaktien
Bescheinigung
No. VPBX
Zahlbar nach Aufruf Kupon No.24

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA
10 Actions Privilégiées
Certificat
No. VPBX
Payable sur avis Coupon No.23

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA
10 Preferred Shares
Certificate
No. VPBX
Payable after notification Coupon No.22

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA
10 Acciones Preferidas
Certificado
No. VPBX
Pagadero contra aviso Cupón No.21

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA
10 Titoli Preferiti
Certificato
No. VPBX
Pagadero contra aviso Tagliando No.20

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA
10 Verzugsaktien
Bescheinigung
No. VPBX
Zahlbar nach Aufruf Kupon No.19

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA
10 Actions Privilégiées
Certificat
No. VPBX
Payable sur avis Coupon No.18

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA
10 Preferred Shares
Certificate
No. VPBX
Payable after notification Coupon No.17

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA
10 Acciones Preferidas
Certificado
No. VPBX
Pagadero contra aviso Cupón No.16

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA
10 Titoli Preferiti
Certificato
No. VPBX
Pagadero contra aviso Tagliando No.15

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA
10 Verzugsaktien
Bescheinigung
No. VPBX
Zahlbar nach Aufruf Kupon No.14

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA
10 Actions Privilégiées
Certificat
No. VPBX
Payable sur avis Coupon No.13

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA
10 Preferred Shares
Certificate
No. VPBX
Payable after notification Coupon No.12

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA
10 Acciones Preferidas
Certificado
No. VPBX
Pagadero contra aviso Cupón No.11

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA
10 Titoli Preferiti
Certificato
No. VPBX
Pagadero contra aviso Tagliando No.10

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA
10 Verzugsaktien
Bescheinigung
No. VPBX
Zahlbar nach Aufruf Kupon No.9

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA
10 Actions Privilégiées
Certificat
No. VPBX
Payable sur avis Coupon No.8

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA
10 Preferred Shares
Certificate
No. VPBX
Payable after notification No.7

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA
10 Acciones Preferidas
Certificado
No. VPBX
Pagadero contra aviso Cupón No.6

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA
10 Titoli Preferiti
Certificato
No. VPBX
Pagadero contra aviso Tagliando No.5

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA
10 Verzugsaktien
Bescheinigung
No. VPBX
Zahlbar nach Aufruf Kupon No.4

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA
10 Actions Privilégiées
Certificat
No. VPBX
Payable sur avis Coupon No.3

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA
10 Preferred Shares
Certificate
No. VPBX
Payable after notification Coupon No.2

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA
10 Acciones Preferidas
Certificado
No. VPBX
Pagadero contra aviso Cupón No.1

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CERTIFICADO AL PORTADOR
BEARER CERTIFICATE
CERTIFICAT AU PORTEUR
INHABERAKTIE AN DEN INHABER
CERTIFICATO AL PORTATORE

CAPITAL GROWTH COMPANY S.A.

(Compañía de Crecimiento de Capital, Sociedad Anónima)

Apartado 7-1460, San José, Costa Rica

TITULOS

1

ACCION PREFERIDA
PREFERRED SHARE
ACTION PRIVILEGIEE
VORZUGSAKTIE
TITOLO PREFERITO

Compañía constituida el 5 de mayo de 1971 por escritura otorgada ante el Notario Hernán Cordero Zúñiga e inscrita por Asiento 208, Folio 326, Tomo 96 de la Sección Mercantil del Registro Público de Costa Rica.
CAPITAL: US$ 1,100,000.00 DURACION: 100 años DOMICILIO: San José, Costa Rica

OBJETO: Implantar y administrar toda clase de [illegible] con toda clase de bienes, aceptar y participar en fideicomisos, garantizar operaciones comerciales, invertir en otras empresas, actuar como agente y realizar cualquier clase contratos y actos legales.
El capital social está representado por 1,000 [illegible]mes y 10.000.000 acciones preferidas, cada una por un valor de US$ 0.10 totalmente pagadas en dinero efectivo y representadas por Certificados al Portador.
El presente certificado representa UNA Acción P[illegible] de dicha compañía de las que es propietario el portador de dicho certificado.
La Reunión Anual Ordinaria de Accionistas de Capital Growth Company S.A. se efectuará cada primer día laboral del mes de Octubre en las oficinas de la compañía en San José, Costa Rica a las 6.00 P.M., realizándose el día primero en

Incorporated by document signed before Hernán Cordero Zúñiga as Notary Pub[illegible] on May 5, 1971 and recorded under Entry 208, Page 326, Volume 96 of the Mercantile Section of the Public Registry of Costa Rica.
CAPITAL: US$ 1,100,000.00 DURATION: 100 years DOMICILE: San José, Costa Rica

LEGAL PURPOSES: To est[illegible]blish and administer any kind of businesses, to negotiate on any kind of goods, to accept and participate in trusts, to guarantee commercial transactions, to invest in other companies, to be agent for other companies persons and to carry out any kind [illegible] legal acts or contracts.
The corporate capital is represented by 1,000 common shares and 10.000.000 preferred shares, each of a par value of US$ 0.10 totally paid in cash and represented by certificates to the bearer.
This certificate represent: ONE Preferred Share of the company which the bearer of the same owns.
The regular Annual Meeting of Shareholders of Capital Growth Company S.A. shall be held in San José, Costa Rica at the company offices on the first business day of each month of October at 6:00 P.M. The first meeting will be held in

Constituée par document signé devant Hernán Cordero Zúñiga, notaire, le 5 mai 1971 et inscrit sous inscription no. 208, page 326, volume 96 de la Section Mercantile du Registre Public de Costa Rica.
CAPITAL: US $ 1.100.000,00 DURÉE: 100 ans SIEGE SOCIAL: San José, Costa Rica

BUTS LEGAUX: L'établissement et l'administration de toute sorte d'entreprise, le commerce en toute sorte de marchandise, l'acceptation de dépôts et la participation en cour-ci, la garantie de transactions commerciales, l'investissement d'autres sociétés ou individus et la conduite de toute sorte d'opérations ou de contrats légaux.
Le capital sociétaire est représenté par 1.000 actions ordinaires et par 10.000.000 actions privilégiées, chacune d'une valeur nominale de US $ 0.10 entièrement payés en argent liquide et représentées par certificats au porteur.
Ce certificat représente UNE Action Privilégiée de la Société appartenant au porteur de celui-ci.
L'assemblée régulière annuelle des actionnaires de Capital Growth Company S.A., se tiendra à San José, Costa Rica, dans les locaux de la Société, le premier jour ouvrable de chaque mois d'Octobre, à 18 heures. La première assemblée tiendra en 1971.

Eingetragen und beurkundet vor Hernán Cordero Zúñiga als [illegible]entlicher Notar unterzeichnet und unter Eintragung 208, Seite 326, Band 96 der Handelsabteilung des Öffentlichen Eintragungsbuches [illegible] Costa Rica aufgezeichnet.
KAPITAL: US $ 1.100.000,00 DAUER: 100 Jahre SITZ: San José, Costa Rica

GESETZMAESSIGER ZWECK: Jede Art Geschaeftsunternehmen zu gruenden und zu fuehren, in jeder Art Waren zu handeln, Treuhandverwaltungen anzunehmen und sich an diesen zu beteiligen, Handelsgeschaefte zu garantieren, Gelder in anderen [illegible] schaften anzulegen, fuer andere Gesellschaften oder Personen als Agent zu wirken und jede Art rechtmaessiger Handlungen und Kontrakte auszufuehren.
Das Aktienkapital wird durch 1.000 gewoehnliche Anteile und durch 10.000.000 Vorzugsaktien dargestellt, jede mit einem Nennwert von US $ 0.10 voellig in Bargeld aufgezahlt und durch Bescheinigungen an den Inhaber dargestellt.
Diese Bescheinigung stellt EIN Vorzugsaktie der Gesellschaft dar welche Besitz des Inhabers derselben sind.
Die regelmaessige jaehrliche Hauptversammlung der Aktieninhaber der Capital Growth Company S.A. wird in San José, Costa Rica, in den Geschaeftsraeumen der Gesellschaft am ersten Arbeitstag jedes Monats Oktober um 6 Uhr Nachm abgehalten. Die erste Hauptversammlung wird im Jahre 1971 abgehalten.

Società constituita il 5 maggio 1971 in base al documento firmato davanti il Notaio Hernán Cordero Zúñiga e iscritto sotto Registrazione No. 208, Pagina 326, Tomo 96 della Sezione Mercantile del Registro Pubblico di Costa Rica.
CAPITALE: US $ 1.100.000,00 DURATA: 100 anni DOMICILIO: San José, Costa Rica

SCOPI LEGALI: Stabilire ed amministrare qualsiasi genere di affari, la compravendita di qualsiasi genere di mercanzia, accettare e partecipare in depositi di custodia, garantire operazioni commerciali, investire in altre società, fare da [illegible] per altre società e persone e concludere qualsiasi genere di contratti o azioni legali.
Il capitale della società è rappresentato per 1.000 titoli comuni e 10.000.000 preferiti, ognuno dal valore nominale di US $0,10, pagati per l'intero al contante e rappresentati per certificati al portatore.
Questo certificato rappresenta UN Titolo Preferito della società appartenendo al portatore dei stessi.
L'Assemblea Annuale Normale degli Azionisti della Capital Growth Company S.A. dovrà essere tenuta in San José, Costa Rica negli uffici della società nel primo giorno feriale di ogni mese d'Ottobre alle 6:00 p.m. La prima assemblea avrà luogo in

En caso de litigio el texto en español será válido.
In case of conflict the Spanish text will control.
En cas de litige, le texte espagnol fera foi.
Im Falle eines Streitfalles ist der spanische Text gue
In caso di dispute il testo in spagnolo sarà decisivo.

San José, 19 de Julio de 1971
San José, 19th of July, 1971
San José, le 19 Juillet, 1971
San José, den 19. Juli 1971
San José, 19 Luglio 1971

Clem McAlpin
Presidente

5 Mar 74
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Para conseguir nuevos cupones de dividendos después de la utilización de los cupones adjuntos a este título, el portador de este título, contra aviso por la Sociedad, deberá someter este título a la Sociedad o a su agente designado, y recibirá una nueva hoja de cupones en cambio.

To acquire new coupons for dividends after use of the coupons attached to this talon, the bearer of this talon, after notification by the Company, should subject this talon to the Company or its designated agent, and will receive a new sheet of coupons in exchange for it.

Pour obtenir de nouveaux coupons de dividendes après utilisation des coupons attachés à ce talon le porteur de ce talon, sur avis par la Société devra le mettre ce talon en Société ou à l'agent désigné par celui-ci et recevra alors en échange une nouvelle feuille de coupons.

Um nach Verwendung aller Kupons an diesem Talon, neue Kupons zu erhalten, sollte der Inhaber nach Benachrichtigung seitens der Gesellschaft dieses Talon dem Gesellschaft oder dessen bevollmaechtigten Agenten vorlegen und wird sodann einen neuen Kuponbogen dafuer erhalten.

Per ottenere nuovi tagliandi per dividendi dopo l'uso dei tagliandi allegati alla Cedola, il portatore di questa Cedola, dopo l'avviso della Società, dovrebbe sottoporre questa Cedola al Società oppure al suo agente incaricato, e riceverà un nuovo foglio di tagliandi in cambio.

No. VPBI

AMERICAN BANK NOTE COMPANY

1

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA

1 Titolo Preferito
Certificato
No. VPBI 21
Pagabile dopo avviso Tagliando No.25

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA

1 Vorzugsaktie
Bescheinigung
No. VPBI 21
Zahlbar nach Aufruf Kupon No.24

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA

1 Action Privilégiée
Certificat
No. VPBI 21
Payable sur avis. Coupon No.23

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA

1 Preferred Share
Certificate
No. VPBI 21
Payable after notification Coupon No.22

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA

1 Acción Preferida
Certificado
No. VPBI 21
Pagadero contra aviso Cupón No.21

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA

1 Titolo Preferito
Certificato
No. VPBI 21
Pagabile dopo avviso Tagliando No.20

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA

1 Vorzugsaktie
Bescheinigung
No. VPBI 21
Zahlbar nach Aufruf Kupon No.19

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA

1 Action Privilégiée
Certificat
No. VPBI 21
Payable sur avis. Coupon No.18

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA

1 Preferred Share
Certificate
No. VPBI 21
Payable after notification Coupon No.17

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA

1 Acción Preferida
Certificado
No. VPBI 21
Pagadero contra aviso Cupón No.16

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA

1 Titolo Preferito
Certificato
No. VPBI 21
Pagabile dopo avviso Tagliando No.15

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA

1 Vorzugsaktie
Bescheinigung
No. VPBI 21
Zahlbar nach Aufruf Kupon No.14

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA

1 Action Privilégiée
Certificat
No. VPBI 21
Payable sur avis. Coupon No.13

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA

1 Preferred Share
Certificate
No. VPBI 21
Payable after notification Coupon No.12

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA

1 Acción Preferida
Certificado
No. VPBI 21
Pagadero contra aviso Cupón No.11

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA

1 Titolo Preferito
Certificato
No. VPBI 21
Pagabile dopo avviso Tagliando No.10

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA

1 Vorzugsaktie
Bescheinigung
No. VPBI 21
Zahlbar nach Aufruf Kupon No.9

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA

1 Action Privilégiée
Certificat
No. VPBI 21
Payable sur avis. Coupon No.8

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA

1 Preferred Share
Certificate
No. VPBI 21
Payable after notification Coupon No.7

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA

1 Acción Preferida
Certificado
No. VPBI 21
Pagadero contra aviso Cupón No.6

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA

1 Titolo Preferito
Certificato
No. VPBI 21
Pagabile dopo avviso Tagliando No.5

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA

1 Vorzugsaktie
Bescheinigung
No. VPBI 21
Zahlbar nach Aufruf Kupon No.4

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA

1 Action Privilégiée
Certificat
No. VPBI 21
Payable sur avis. Coupon No.3

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA

1 Preferred Share
Certificate
No. VPBI 21
Payable after notification Coupon No.2

CAPITAL GROWTH COMPANY S.A.
SAN JOSE, COSTA RICA

1 Acción Preferida
Certificado
No. VPBI 21
Pagadero contra aviso Cupón No.1

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CAPITAL GROWTH COMPANY S.A.

APARTADO 7-1460,
SAN JOSE, COSTA RICA

Adjunto encontrará sus certificados o pólizas de participación representando sus acciones en Capital Growth Company S.A. Su previa acción fraccional ha sido aumentada a una acción entera.

TOME NOTA: Si a usted le pertenecía más de una cuenta de Capital Growth Funds, recibirá un remito de certificados o pólizas de participación por cada cuenta.

El aviso de futuros desarrollos de vuestra compañía será publicado en el *Paris Herald Tribune*, *Time Magazine* (Edición Atlántica) y el *Frankfurter Allgemeine*.

You will find enclosed your bearer share certificates representing your holding in Capital Growth Company S.A. Your previous fractional share holding has been increased to one whole share.

PLEASE NOTE: If you owned more than one account in Capital Growth Funds you will receive one mailing of bearer share certificates for each account.

Notices of further developments in your company will be published in the *Paris Herald Tribune*, *Time Magazine* (Atlantic Edition) and *Frankfurter Allgemeine*.

Veuillez trouver ci-joint vos certificats de titres au porteur représentant votre part dans la Capital Growth Company S.A. Vos fractions antérieures ont été augmentées et représentant maintenant une action entière.

N.B.: Si vous étiez titulaires de plusieurs comptes d'actions Capital Growth Funds, vous recevrez séparément les certificats de titres au porteur pour chaque compte.

Les communications touchant au développement ultérieur de votre société seront publiées dans la *Paris Herald Tribune*, *Time Magazine* (Atlantic Edition) et la *Frankfurter Allgemeine*.

In der Anlage erhalten Sie Ihre Inhaberaktien-Zertifikate, die Ihren Anteil an der Capital Growth Company S.A. darstellen. Ihre früheren Bruchteile einer Aktie wurden zu einer ganzen Aktie aufgerundet.

BITTE BEACHTEN SIE: Wenn Sie mehr als ein Konto bei Capital Growth Funds besassen, werden Sie eine Postsendung von Inhaberaktien-Zertifikaten für jedes Konto erhalten.

Notierungen über weitere Entwicklungen in Ihrer Firma werden in *Paris Herald Tribune*, *Time Magazine* (Atlantische Ausgabe) und in der *Frankfurter Allgemeinen* Zeitung veröffentlicht werden.

Voglia trovare, qui acclusi, i Suoi titoli azionari al portatore che rappresentano la Sua partecipazione nella Capital Growth Company S.A. La Sua precedente partecipazione azionaria frazionaria è stata portata a un valore unitario.

LA PREGHIAMO DI NOTARE che se dovesse avere piu di un conto nelle due società di Capital Growth, Le sarà fatta una spedizione separata di titoli azionari al portatore per ciascun conto.

Nel *Paris Herald Tribune*, *Time Magazine* (edizione atlantica) e nel *Frankfurter Allgemeine* verranno annunziati gli ulteriori sviluppi della Sua Società.

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265 Moline St.
Aurora, Colorado 80010

Mr. J. R. Millar, Director
New Providence Securities, Ltd
Capital Growth Services Ltd
One Mount St.
London W1A 4PL England

I have a letter from you dated 1 Oct—in reply to my letter of 27 September—in which you tell me you would be sending me details of the procedure for selling my shares. As yet I have not hear anything from you—friends have received their money several moths ago—what is the cause of the delay on my selling my shares?

May I hear from you?

Sincerely,

Helen P. Knoll

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NEW PROVIDENCE SECURITIES, LTD.

SASSOON BUILDING P.O. BOX 1065 NASSAU (BAHAMAS)

PLEASE REPLY C/O

CAPITAL GROWTH SERVICES LTD.
ONE MOUNT STREET
LONDON W1A 4PL, ENGLAND
TELEPHONE: 01-499 5656
CABLES: FIRSTBIT LONDON W1
TELEX: 266304 CGS LONDON

CAPITAL GROWTH FUND

A/

JRM/PL

1st October 1971

Mrs. Helen P. Knoll
265 Moline Street
Aurora
Calo. 80010
U.S.A.

Dear Mrs. Knoll,

Thank you for your letter of 27th September.

I am enclosing a copy of our letter of 1st October which will give you some details of the procedure for selling your shares. Additional information will be sent to you just as soon as it is available.

Sincerely yours,
NEW PROVIDENCE SECURITIES, LTD.

J.R. Millar
Director

NEW PROVIDENCE SECURITIES, LTD.

SASSOON BUILDING P.O. BOX 1065 NASSAU (BAHAMAS)

PLEASE REPLY C/O

CAPITAL GROWTH SERVICES LTD.
ONE MOUNT STREET
LONDON W1A 4PL, ENGLAND
TELEPHONE: 01-499 5866
CABLES: FIRSTBIT LONDON W1
TELEX: 262284 CGS LONDON

CAPITAL GROWTH FUND

London, 1st October, 1971

Dear Shareholder,

We are very pleased to announce the appointment of Messrs. Peat, Marwick and Mitchell as Auditors of Capital Growth Company, S.A. (formerly Capital Growth Fund) and also the Management Company, New Providence Securities Limited. Your new Auditors are known throughout the financial world as one of the foremost firms of Accountants. They are now in the process of auditing Capital Growth Company, S.A. for the period 1st October 1970 to 30th June 1971. Copies of this statement will be airmailed to all shareholders just as soon as it has been completed, translated and printed. Please remember that all this process takes time so please be patient for a little longer.

All shareholders were mailed an address confirmation form so that the new bearer share certificates could be sent to the correct address. If you have not returned this form, please do so immediately as the new certificates are now being printed and we hope to start distribution during the course of this month. Remember, in addition to the confirmation of your address, we must have your signature(s) and they must be the same name(s) as shown on the original application form.

We are also pleased to inform shareholders that Wirtschaftsbank Zurich, Lowenstrasse 29, 8001 Zurich, Switzerland (telephone 25.58.50) will make a market in shares of Capital Growth Company, S.A., after, and only after, the bearer certificates have been issued. Please do not call or write to the bank until after you have received the certificates. As additional stockbrokers and banks agree to handle shares of your Company, you will be notified. We are also making progress in our current negotiations towards listing Capital Growth Company, S.A. on a stock exchange.

An important item for shareholders to remember is that they can all participate in their company and that the Annual General Meeting will be held in San José, Costa Rica, on the first business day in October of each year.

/Continued .....

London, 1st October, 1971

However, since many of the Company's shareholders reside in Europe, the Directors have decided to hold a preliminary meeting in Europe four weeks prior to the meeting in Costa Rica. The Agenda for this meeting will be the same as for the official meeting in Costa Rica and the notice of time and place will be published not less than two weeks prior in the Paris Herald Tribune, Time Magazine (Atlantic Edition) and Frankfurter Allgemeine.

All the individual accounts of our shareholders will be moved to Costa Rica in October and effective 15th October 1971 will all shareholders please address all correspondence to Capital Growth Company, S.A., Apartado 7-1460, San José, Costa Rica. Our staff there will be pleased to answer all your queries.

It has been a pleasure to inform you of the progress we are now making and we will be writing to you again with details of other developments just as soon as they occur.

Very truly yours,
NEW PROVIDENCE SECURITIES, LTD.

C.W. McAlpin
President

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CAPITAL GROWTH COMPANY S.A.
Apartado 7-1460,
San José, Costa Rica.

Date 23.3.73

Dear Sir/Madam,

Thank you for your letter of 12.3.73 Information about Capital Growth Company S.A. is enclosed, which we believe answers your questions.

Yours faithfully,
CAPITAL GROWTH COMPANY S.A.

Roger le Clercq
Asst. Manager

Additional Information To sell your shares you should write to Universal Venture Capital, details of which are given on page 3.

CAPITAL GROWTH COMPANY. S. A.
APARTADO 7-1460
SAN JOSE, COSTA RICA

NEWSLETTER TO SHAREHOLDERS - FEBRUARY 1973

HISTORICAL:

In April 1971, Capital Growth Fund moved from the Bahamas to Costa Rica, becoming Capital Growth Fund, S. A., a Costa Rican corporation. In July 1971, Capital Growth Fund S. A. ceased repurchasing their shares and became "closed-end." The Company's name was changed to Capital Growth Company, S. A., and the issue of new preferred bearer shares was authorized. These shares were allocated on a one for one basis, to previous Capital Growth Fund planholders, fractional shares being rounded up to the next whole share. In August 1971, Capital Growth Company S. A. took over the assets of Capital Growth Real Estate Fund, issuing 2.517 shares for each previous share in Capital Growth Real Estate Fund. This ratio represented the last calculated net asset value per share of both Capital Growth Fund and Capital Growth Real Estate Fund - namely 4.52 and 11.38 on July 16th, 1971.

COMMUNICATION:

All planholders were mailed notice of these changes as and when they occurred. Letters were sent out on July 16th, August 10th, October 1st to Capital Growth Fund planholders, and on August 12th and October 1st to Capital Growth Real Estate planholders. A further letter was sent to the last recorded address of each investor on March 15th, 1972.

In the interest of economy, we regret that we must in future answer all correspondence in English. To read and answer letters in any other language requires translation of both the letter and its answer, and this increases the time taken for the processing of a letter by approximately 500%. If shareholders use English or Spanish to write to us - preferably English - they are much more likely to get a complete and speedy reply.

When writing to us about matters concerning your shares or your past transactions in the Fund, please quote your old account number as a reference. It is not always possible to locate your personal file from your name alone, and omission of the account number will result in a delay in our reply.

CURRENT STATUS.

Capital Growth Company S. A. is a Costa Rican corporation with over 5-1/2 million preferred shares issued. These shares have first claim on the assets of Capital Growth Company S. A. in the event of liquidation. They may be bought and sold between third parties, via an agent or "stockbroker". They may not be sold back to the Company, and therefore the number of shares of the Company outstanding remains constant. This is what is meant by a "closed-end" company. The certificates issued are "bearer Certificates." This means that the ownership is not registered with the Company, and that possession of the certificates is proof of ownership, in the same way that a dollar

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bill does not have a "registered owner." For this reason, these certificates should be insured by the bearer, (the owner), against loss and theft. Since there are no registered owners, continued insurance of individuals by the management company is not possible. The previous insurance of planholders is now no longer in effect. Notice of this insurance cancellation was included in the letter of July 16th, 1971.

SHARES:

These new shares should be claimed by the individual entitled persons by writing to Capital Growth Company S. A., Apartado 7-1469, San José, Costa Rica. It is essential that such letters should include:

1) The signature(s) of (both) the planholder(s) as on the original application form.
2) The address to which the shares should be sent, including the legible name of the addressee.
3) The plan number under which the share interest was originally acquired.

MAILING OF SHARES:

Many people have already claimed and received their shares. Mailings have taken place as follows: The first mailing was made on November 15, 1971, with the last checking deadline October 10. The second mailing was made on March 17, 1972, with the last checking deadline February 7. The third mailing was made on August 9, 1972, with the last checking deadline June 13. The fourth mailing was made on January 10, 1973, and the last checking deadline was October 24, 1972. The actual mailing takes place from a Bank, since our offices cannot provide the necessary personnel and security. This is the reason why certificates are released in batches, and not piecemeal, and why we cannot issue certificates to individuals by return mail. Some delay is therefore to be expected between applications for shares and the actual mailing. For the status of your shares, according to our records, please refer to the check-spaces below:

STATUS OF ACCOUNT NUMBER: Fr 121

Certificates sent:	1st Mailing	( ))	If not received, please notify us.
	2nd Mailing	( )	If not received, please notify us.
	3rd Mailing	( )	If not received, please notify us.
	4th Mailing	(✓)	If not received, please notify us.
Planned for:	5th Mailing	( )	
Non-receipt has been advised to us - we are researching		( )	
No request yet received - please advise us where to send your certificates		( )	

TRADING:

In February 1972, The Board of Directors of New Providence Securities Ltd. S. A. established a subsidiary of Capital Growth Company S. A. to make a market in the shares. The Board felt that this was the best solution to the problem of ensuring a fair market with the smallest spread between buy and sell. Any profit will be for the benefit of Capital

Growth Company S. A., and will be reflected in the consolidation of the subsidiary, Universal Venture Capital S. A., into the accounts of Capital Growth Company, S. A.

Please address any inquiries concerning the market for the shares to:

Universal Venture Capital S. A.
John La Mont and Associates, Agent
P. O. Box 4634
Beirut, Lebanon

BEARER SHARES OF
CAPITAL GROWTH COMPANY S.A.
We buy at U.S. $1.13
We sell at U.S. $1.27
Universal Venture Capital S.A.
c/o Box 4634, Beirut, Lebanon.
Prices valid until January 8, 1973.

A quotation is being provided each Monday in the Paris Herald Tribune, financial section, and an example is reproduced above. The market for the shares opened in April 1972 at $1.00 bid, $1.10 asked. The latest quotation available was Bid $1.04, Asked $1.18, on 12/3/73. Many shareholders have asked for the reason for the low price as compared to the real asset value per share. We ask you to note that an audited report has not been published for 2 years, and the general public cannot be sure of the assets of the company until our next audit is published. It is the intention of the management to seek a quotation for the shares on a stock exchange as soon as possible. Publication of the current audit is a prior requirement for this step.

It should be remembered that these are bearer shares, and therefore if shareholders omit their own name and address from the mailing of the shares, Universal Venture Capital S. A. will neither know where the shares came from, nor where to remit the proceeds when a sale is effected. Please remember that all mailings of share certificates should be registered.

COUPONS:

The new shares each have twenty-five coupons attached. These coupons entitle the bearer of the shares to collect dividends as and when they are declared. The dividends can be claimed only on presentation of the respective coupon. The coupons must be included with the shares when the shares change hands. Coupon # 1 should be presented for the first dividend and so on. Each dividend announced will bear a number which will enable the bearer of the shares to select the correct coupon.

DIVIDENDS:

Dividends will be announced in the International Herald Tribune when they are declared, and the Bank to which the coupons should be presented will also be announced. We can, if requested, advise shareholders through their banks, when dividends are declared. For this service you should write to the above address, giving your bank's address. This service will notify, but cannot effect payment, since the coupons are necessary for claiming the dividend. No dividends were declared for the fiscal year ending on October 1st, 1972, and all share certificates at this time should still retain all coupons. The current status of all dividends will of course be summarised in all audited reports issued in the future. These reports will be available on request to Capital Growth Company, S. A. at the above address.

PAR VALUE:

The shares each have a par value of 10 cents. This does not mean that they are worth only 10 cents each. The par value is an accounting expression used when expressing the "authorized capital" of the Company. If in doubt about this expression, you should ask your Bank Manager, or an accountant to explain it more fully.

COMPANY POLICY:

It is the intention of the Management to direct the assets of Capital Growth Company, S. A. into investment fields in which good growth should be possible. Our two major interests for the future include coffee production, where profit potential has been considerably improved by the devastating frost in Brazil last year, and beef production, which a world shortage and high prices combine to make an attractive proposition. Cattle stocking and feed lot construction has begun on our ranch at Hacienda Chapernal as a first step towards production of cross-bred, feed lot fattened animals for the world beef market.

SHAREHOLDERS MEETINGS:

A meeting was arranged in Europe for the purpose of acquainting stockholders of Capital Growth Company S. A. with the current situation. This meeting was held in London on September 4th, 1972. The annual General Meeting was held in San José on October 4th, 1972. The accompanying unaudited statement of assets and liabilities was discussed. Resolutions were made and passed to provide for

1) The acceptance on the Board of Directors of Capital Growth Company S. A. of any person owning or representing by proxy 300,000 preferred shares of Capital Growth Company S. A. (5% of shares outstanding).

2) The formation of a "Vigilance Committee", details of which were to be discussed at an extraordinary shareholders meeting on January 16th, 1973.

3) The alteration of the date of the annual general meeting from the first business day in October to the first business day in December each year.

The meeting on January 16th was duly held. A committee of three will be appointed. This committee will keep themselves informed of the company's activities by attending directors meetings. They may voice their opinions and recommendations, but will not vote. Further members will probably be elected at the next Annual General Meeting. The means of communicating their findings and opinions to the public will be decided by the committee. Meanwhile, the company will continue its practice of up dating these newsletters which are available on request.

GENERAL:

In accordance with our new accounting practice, all unquoted assets appear on the accompanying statement at their equity value, and not at estimated fair or market value as was the case when Capital Growth Company was open-ended.

CAPITAL GROWTH COMPANY S. A.

UNAUDITED STATEMENT OF ASSETS AND LIABILITIES PER SEPTEMBER 30th, 1972

LIABILITIES

1.	HACIENDA CAFETALERA SANTA ELENA LTDA.			
	Mortgages and Payables	3,088,390.38		
	less notes payable direct to Parent Company, Capital Growth Company S. A.		1,040,000.00	
	Corrected Liabilities			2,048,390.38
2.	NOTE PAYABLE FOR LAND HELD JOINTLY WITH LAGUNA GARDENS - PRINCIPAL	1,189,048.00		
	INTEREST	97,105.59		
				1,286,153.59
3.	NEW WORLD PROPERTIES INTERNATIONAL INC.			
	Mortgages and Payables	501.751.75		
	less notes payable direct to Capital Growth Company S. A.		115,000.00	
				386,751.75
4.	INCOME DEBENTURES: Principal	174,000.00		
	Interest Due	Nil		
	GROWTH DEBENTURES - redemption value per 9.30.71	72,273.20		
				246,273.20
5.	ACCOUNTS PAYABLE and miscellaneous items			
	Pending payments to ex-Capital Growth Fund Shareholders	15,874.32		
	Custody expense	4,617.85		
	Amounts due to brokers for stocks purchased	136,086.78		
	Interest due on borrowings	5,989.58		
	Accrued fees - legal, custody, etc.	15,000.00		
	Accrued September Management fee	20,000.00		
	Accrued Audit fees	10,000.00		
	Reserve for Chambacú recoverable	59,729.11		
	Deferred Income	470,000.00		737,297.64
				4,704,866.56
6.	COMMON STOCK PAR VALUE (1,000 shares o/s,	100.00		
7.	PREFERRED SHAREHOLDERS EQUITY (5,863,498 shares o/s)	16,245,643.42		16,245,743.42
	TOTAL LIABILITIES			20,950,609.98

CAPITAL GROWTH COMPANY S. A.

UNAUDITED STATEMENT OF ASSETS AND LIABILITIES PER SEPTEMBER 30th, 1972

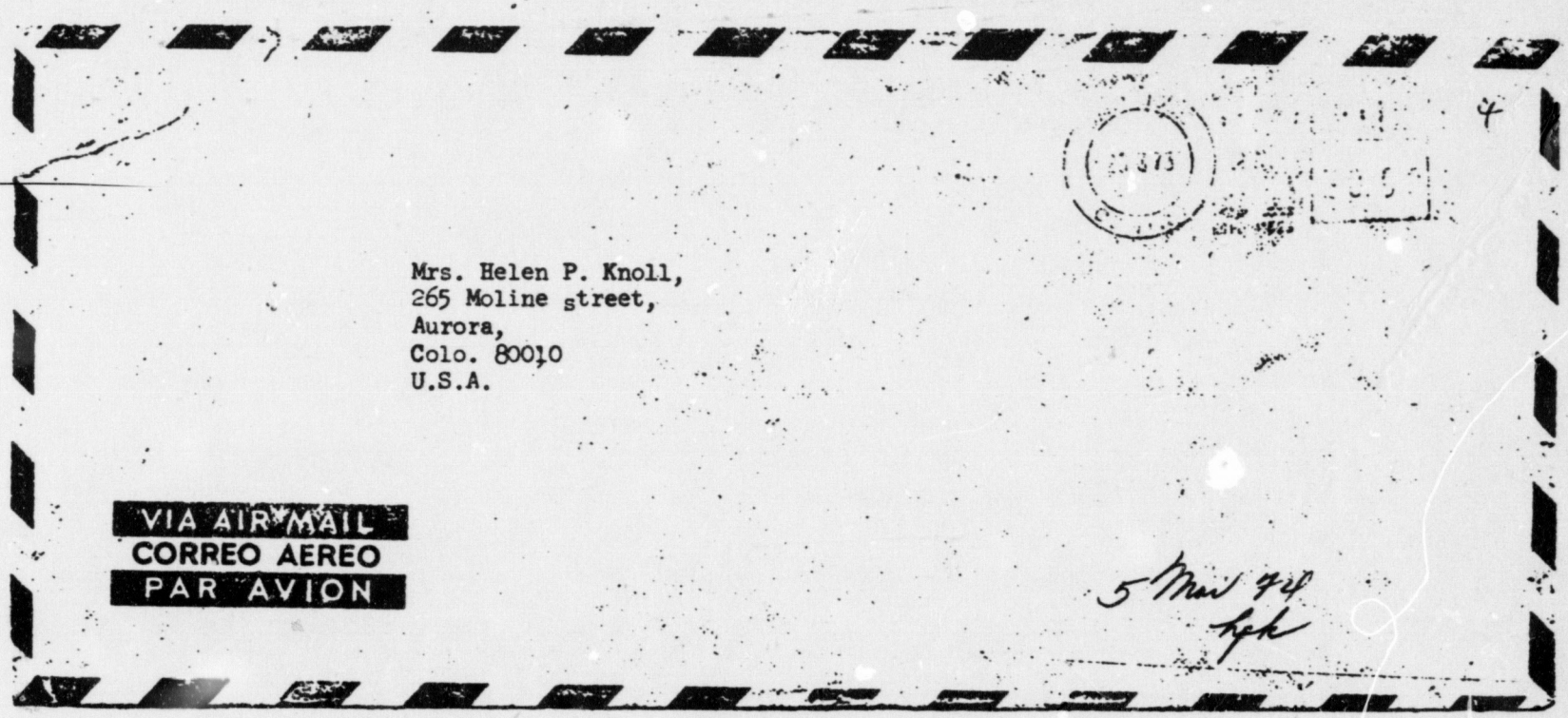
ASSETS

1. INVESTMENTS IN SECURITIES (at market)

No. of Shares	Stock	$ per share at Sept. 30th	$	
5,200	Allied Maintenance	37 5/8	195,650.00	
14,000	Allright Auto Parks	13 1/2	189,000.00	
10,000	American Building Maintenance	46 3/8	463,750.00	
54,100	Beneficial Standard Mortgage Wts.	6 3/8	344,877.50	
30,000	Golden West Financial	22 1/2	675,000.00	
87,200	La Maur Inc.	13	1,133,600.00	
30,000	Penn Fruit	9	270,000.00	
10,000	Transworld Airlines	40 7/8	408,750.00	
10,000	U. S. Tobacco	18 1/8	181,250.00	
	Total Market Value September 30th		3,861.887.50	
2.	AMOUNT RECEIVABLE FROM BROKERS for stocks sold		572,000.00	
3.	CASH IN BANKS		2,107,845.36	6,541,732.86
4.	INVESTMENTS IN COSTA RICA			
	Hacienda Cafetalera Santa Elena Ltda.*		4,092,574.28	
	Chambacú - recoverable ₡511,875		59,728.70	
	Chambacú - note receivable from ITCO		9,433.90	
	Chambacú - interest on note (170 days at 8%)		356.39	
	Chira Island - per June 30th trial balance		49,566.00	
	2,000,000 shares Sociedad Agrícola Industrial San Cristóbal - at equity per 6.30.72		2,058,432.00	
	Hacienda Chapernal - at cost		3,000,000.00	
	Further Farm Land Purchase		300,000.00	
	Agricultural Machinery		100,000.00	
	Down Payment - cattle purchase		50,000.00	9,720,091.27
5.	INVESTMENTS IN PUERTO RICO			
	Land held jointly with Laguna Gardens II Inc.		1,189,048.00	
	Golden Beach Apartments Corp. Notes receivable		1,600,000.00	
	Interest at 9% accrued		168,000.00	
	Condominium Development Corporation* at cost		20,000.00	2,977,048.00
6.	UNIVERSAL VENTURE CAPITAL equity 9.30.72		928,928.00	
	Advances to Universal Venture Capital and subsidiaries		121,388.74	1,050,316.74
7.	NEW WORLD PROPERTIES INC.* (Florida) Gross Assets per 6.30.72		661,421.11	661,421.11
	TOTAL ASSETS			20,950,609.98

* Wholly owned subsidiaries

5 Mar 73
kpk



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CORRESPONDENTS:
HAYDEN, STONE INCORPORATED
NEW YORK STOCK EXCHANGE

GENERAL DISTRIBUTORS OF
THE SECOND BAHAMAS INVESTMENT TRUST
CAPITAL GROWTH FUND: CAPITAL SECURITY FUND

NEW PROVIDENCE SECURITIES, LTD.
SUNLEY BUILDING PENTHOUSE
P. O. BOX 1005, NASSAU, BAHAMAS
TELEPHONE 2-4570 CABLE "FIRSTBIT"

4th May, 1966

Ex D

Lt. Col. Dallas L. Knoll, Jr.,
117 Washington Road,
WEST POINT, New York.

Dear Lt. Col. Knoll:

Thank you for your letter of April 17th. We regret the slip-up with regard to your price card. Please rest assured that henceforth you will receive the card every two weeks.

I would like to take this opportunity to point out that we find ourselves in a position where we are no longer able to sell shares to persons residing within the United States, as this may prove to be a contravention of the Securities Exchange Commission's new policy on foreign mutual funds.

We appreciate your interest in our Fund and sincerely regret that we are unable to offer you any further participation.

Very truly yours,

W. J. Beirer
Office Manager

WJB:nhs

E-45

TAL GROWTH COMPANY, S
O 7-1460
E, COSTA RICA

18th October, 1972

Our ref: RleC/owt/ACF

Mrs. Helen P. Knoll,
265 Moline Street,
Aurora,
Colorado 80010,
U.S.A.

Dear Shareholder,

Re: Account No: FG 121

We have your new bearer share certificates relating to the above account in our possession and we would be grateful therefore if you would complete and return the enclosed address confirmation form to us at the above address in order that we can release your new shares to your correct address.

The investment certificate you are holding at present is null and void and has been replaced by these new bearer shares of Capital Growth Company S.A. which are now the only negotiable certificates.

We enclose a copy of our latest newsletter for your general information, and remain

Yours faithfully,
CAPITAL GROWTH COMPANY S A

Roger le Clercq
Asst. Manager

E-46

TO: Capital Growth Company, S. A.
Apartado 7-1460
San José, Costa Rica

PLEASE PRINT

NAME _____

ADDRESS _____

_____

_____

_____

Dear Sirs:

Please send the bearer certificates relating to Plan Number FG 121

to the address I have inserted above.

Very truly yours,

Signature _____ Plan holder I

Name (PRINT) _____ Plan holder I

Signature _____ Plan holder II

Name (PRINT) _____ Plan holder II

CAPITAL GROWTH COMPANY. S. A.
APARTADO 7-1460
SAN JOSE, COSTA RICA

NEWSLETTER TO SHAREHOLDERS - OCTOBER 1972

HISTORICAL:

In April 1971, Capital Growth Fund moved from the Bahamas to Costa Rica, becoming Capital Growth Fund, S. A., a Costa Rican corporation. In July 1971, Capital Growth Fund S. A. ceased repurchasing their shares and became "closed-end." The Company's name was changed to Capital Growth Company, S. A., and the issue of new preferred bearer shares was authorized. These shares were allocated on a one for one basis, to previous Capital Growth Fund planholders, fractional shares being rounded up to the next whole share. In August 1971, Capital Growth Company S. A. took over the assets of Capital Growth Real Estate Fund, issuing 2.517 shares for each previous share in Capital Growth Real Estate Fund. This ratio represented the last calculated net asset value per share of both Capital Growth Fund and Capital Growth Real Estate fund - namely 4.52 and 11.38 on July 16th, 1971.

COMMUNICATION:

All planholders were mailed notice of these changes as and when they occurred. Letters were sent out on July 16th, August 10th, October 1st to Capital Growth Fund planholders, and on August 12th and October 1st to Capital Growth Real Estate planholders.

In the interest of economy, we regret that we must in future answer all correspondence in English. To read and answer letters in any other language requires translation of both the letter and its answer, and this increases the time taken for the processing of a letter by approximately 500%. If shareholders use English or Spanish to write to us - preferably English - they are much more likely to get a complete and speedy reply.

When writing to us about matters concerning your shares or your past transactions in the Fund, please quote your old account number as a reference. It is not always possible to locate your personal file from your name alone, and omission of the account number will result in a delay in our reply.

CURRENT STATUS:

Capital Growth Company S. A. is a Costa Rican corporation with over 5-1/2 million preferred shares issued. These shares have first claim on the assets of Capital Growth Company, S. A. in the event of liquidation. They may be bought and sold between third parties, via an agent or "stockbroker". They may not be sold back to the Company, and therefore the number of shares outstanding remains constant. This is what is meant by a "closed-end" company. The certificates issued are "bearer Certificates." This means that the ownership is not registered with the Company, and that possession of the certificates is proof of ownership, in the same way that a dollar bill does not have a "registered owner". For this reason, these certificates should be insured by the bearer against loss and theft. Since there are no registered owners, continued insurance of individuals by the management company is not possible. The previous insurance of planholders is therefore no longer in effect.

SHARES:

These new shares should be claimed by the individual entitled persons by writing to Capital Growth Company S. A., Apartado 7-1460, San José, Costa Rica. It is essential that such letters should include:

1) The signature(s) of (both) the planholder(s) as on the original application form
2) The address to which the shares should be sent, including the legible name of the addressee.
3) The plan number under which the share interest was originally acquired.

MAILING OF SHARES:

Many people have already claimed and received their shares. Mailings have taken place as follows: The first mailing was made on November 15th, with the last checking deadline October 10th. The second mailing was made on March 17th, with the last checking deadline February 7th. The third mailing was made on August 9th, with the last checking deadline June 13th. The [illegible]th mailing will probably be released in November 1972, but the actual date is not yet [illegible]. To be certain of catching this mailing, applications should be sent in before mid-[illegible]r. The actual mailing takes place from a Bank, since our offices cannot provide the necessary personnel and security. This is the reason why certificates are released in batches, and not piecemeal, and why we cannot issue certificates to individuals by return mail.

TRADING:

In February, the Board of Directors of New Providence Securities Ltd., S. A. established a subsidiary of Capital Growth Company S. A. to make a market in the shares. The Board felt that this was the best solution to the problem of ensuring a fair market with the smallest spread between buy and sell. Any profit will be for the benefit of Capital Growth Company S. A.

Please address any inquiries concerning the market for the shares to:

Universal Venture Capital S. A.
John La Mont and Associates, Agent
P. O. Box 4634
Beirut, Lebanon

BEARER SHARES OF
CAPITAL GROWTH COMPANY S.A.
We buy at U.S. $1.24
We sell at U.S. $1.43
Universal Venture Capital S.A.
c/o Box 4634, Beirut, Lebanon.
Prices valid until October 2, 1972.

A quotation is being provided each Monday in the Paris Herald Tribune, financial section, and an example is reproduced above. The market for the shares opened in April 1972 at $1.00 bid, $1.10 asked. On June 26th the quotation was $1.22 to $1.40. On September 18th, the quotation was $1.24 to $1.43. Many shareholders have asked for the reason for the low price as compared to the real asset value per share. We ask you to note that an audited report has not been published for 23 months, and the general public cannot be sure of the assets of the company.

It should be remembered that these are bearer shares, and therefore, if shareholders omit their own name and address from the mailing of the shares, Universal Venture Capital S. A. will neither know where the shares came from, nor where to remit the proceeds when a sale is effected. Please remember that all mailings of share certificates should be registered.

COUPONS:

The new shares each have twenty-five coupons attached. These coupons entitle the bearer of the shares to collect dividends as and when they are declared. The dividends can be claimed only on presentation of the respective coupon. The coupons must be included with the shares when the shares change hands. Coupon # 1 should be presented for the first dividend and so on. Each dividend announced will bear a number which will enable the bearer of the shares to select the correct coupon.

DIVIDENDS:

Dividends will be announced in the International Herald Tribune when they are declared, and the Bank to which the coupons should be presented will also be announced. We can, if requested, advise shareholders through their banks, when dividends are declared. For this service you should write to the above address, giving your bank's address. This service will notify, but cannot effect payment, since the coupons are necessary for claiming the dividend. No dividends will in any case be declared prior to the end of the second fiscal year in October 1972. The current status of all dividends will of course be summarised in all audited reports issued in the future. These reports will be available on request.

CAPITAL GROWTH COMPANY S.A.
Balance Sheet - July 31st, 1972 (UNAUDITED)

ASSETS

1.	CASH AND STOCKS		
	Gross value investment account	9,745,392.93	
	Cash	135,164.36	9,880,557.29
2.	PROPERTY IN COSTA RICA		
	Hacienda Cafetalera Santa Elena Ltd.	3,892,574.28	
	Chambacu ₡511,875.00	59,729.11	
	Chira Island	54,312.16	
	Hacienda Chapernal - at Cost	3,000,000.00	7,006,615.55
3.	PROPERTY IN PUERTO RICO		
	50% interest Laguna Gardens	1,189,048.00	
	Torre del Mar - at Cost	20,000.00	1,209,048.00
4.	PROPERTY IN FLORIDA		
	New World Properties Inc.	661,421.11	
5.	NOTES RECEIVABLE		
	From Santa Elena - Principal	200,000.00	
	From Golden Beach Apartments Corp. Principal	1,600,000.00	
	Interest	144,000.00	
	From Universal Venture Capital - Principal	121,388.74	
	Interest	379.70	
	From ITCO - Principal	9,433.90	
	Interest	230.61	2,075,432.95
6.	UNQUOTED STOCKS		
	E.H.G. Enterprises	665,689.00	
	San Cristobal	2,058,432.00	
	Universal Venture Capital	1,000,000.00	3,724,121.00
	TOTAL ASSETS		24,557,195.90

LIABILITIES

1.	Borrowings against stock collateral - including interest		3,903,225.60
2.	Liabilities of Hacienda Cafetalera Santa Elena		2,048,390.38
3.	Liabilities of New World Properties Inc.		386,751.75
4.	Notes payable for Laguna Gardens - Principal		1,189,048.00
	- Interest		74,910.02
5.	Income Debentures - Principal		174,000.00
	- Interest due		Nil
	Growth Debentures		73,046.45
6.	Short term debts and payables		73,819.28
7.	Reserve for Chambacu property		59,729.11
8.	Shareholders equity: Common shares par value	100.00	
	Preferred shares par value	586,349.80	
9.	Preferred shares paid in surplus	15,987,825.31	
	TOTAL Shareholders equity		16,574,275.11
	TOTAL LIABILITIES		24,557,195.90

PAR VALUE:

The shares each have a par value of 10 cents. This does not mean that they are worth 10 cents each. The par value is an accounting expression used when expressing the "authorized capital" of the Company. If in doubt about this expression, you should ask your Bank Manager, or an accountant to explain it more fully.

COMPANY POLICY:

Capital Growth Fund was in business as a leveraged Fund, using borrowed money to increase the potential performance of the Fund. Capital Growth Company S. A. is continuing this policy and has arranged for a borrowing of up to $7,000,000 to augment its buying power in the stock market. At the end of July we were using about $4,000,000 of this drawing power.

EUROPEAN MEETING:

A meeting was arranged in Europe for the purpose of acquainting stockholders of Capital Growth Company S. A. with the current situation. This meeting was held in London on September 4th, 1972. Despite advertising in all editions of TIME and the Herald Tribune, only about 30 shareholders attended. The Annual General Meeting will be held in San José on October 4th, 1972. It is possible that the discussion of the accounts, and voting, will be postponed for three months to allow time for the accounts to be brought up to September 30th, 1972.

GENERAL:

We have had a lot of correspondence to answer, and many people simply ask for "information". We believe this newsletter provides this as fully as possible. Many people have asked why we moved from the Bahamas to Costa Rica, and closed our European offices. The reason is mainly political; Costa Rica offers many of the tax benefits which the Bahamas used to offer, and which are now disappearing. In addition, Costa Rica has the reputation of being very peaceful and politically stable. The London and Zurich offices were closed on the grounds of cost effectiveness, and for no other reasons. For your fuller information, we add to this report an unaudited balance sheet showing assets and liabilities of Capital Growth Company S. A. at July 31st, 1972. In accordance with our new accounting practice, all unquoted assets are valued at their bare equity value, and not at estimated fair or market value as was the case when Capital Growth Company was open-ended.

STATUS OF ACCOUNT NUMBER: FG 121

Certificates sent:	1st Mailing	☐	If not received, please notify us.
	2nd Mailing	☐	If not received, please notify us.
	3rd Mailing	☐	If not received, please notify us.
Planned for:	4th Mailing	☐	
Non-receipt has been advised to us - we are researching		☐	
No request yet received - please instruct us where to send your certificates		☑	

NEW PROVIDENCE SECURITIES, LTD.

SASSOON BUILDING P.O. BOX 1065 NASSAU (BAHAMAS)

PLEASE REPLY C/O

CAPITAL GROWTH SERVICES LTD.
ONE MOUNT STREET
LONDON W1A 4PL, ENGLAND
TELEPHONE: 01-499 9066
CABLES: FIRSTBIT LONDON W1
TELEX: 262284 CGS LONDON

CAPITAL GROWTH FUND

London, 1st October, 1971

Dear Shareholder,

We are very pleased to announce the appointment of Messrs. Peat, Marwick and Mitchell as Auditors of Capital Growth Company, S.A. (formerly Capital Growth Fund) and also the Management Company, New Providence Securities Limited. Your new Auditors are known throughout the financial world as one of the foremost firms of Accountants. They are now in the process of auditing Capital Growth Company, S.A. for the period 1st October 1970 to 30th June 1971. Copies of this statement will be airmailed to all shareholders just as soon as it has been completed, translated and printed. Please remember that all this process takes time so please be patient for a little longer.

All shareholders were mailed an address confirmation form so that the new bearer share certificates could be sent to the correct address. If you have not returned this form, please do so immediately as the new certificates are now being printed and we hope to start distribution during the course of this month. Remember, in addition to the confirmation of your address, we must have your signature(s) and they must be the same name(s) as shown on the original application form.

We are also pleased to inform shareholders that Wirtschaftsbank Zurich, Lowenstrasse 29, 8001 Zurich, Switzerland (telephone 25.58.50) will make a market in shares of Capital Growth Company, S.A., after, and only after, the bearer certificates have been issued. Please do not call or write to the bank until after you have received the certificates. As additional stockbrokers and banks agree to handle shares of your Company, you will be notified. We are also making progress in our current negotiations towards listing Capital Growth Company, S.A. on a stock exchange.

An important item for shareholders to remember is that they can all participate in their company and that the Annual General Meeting will be held in San José, Costa Rica, on the first business day in October of each year.

/Continued .....

5 Mar 74
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London, 1st October, 1971

However, since many of the Company's shareholders reside in Europe, the Directors have decided to hold a preliminary meeting in Europe four weeks prior to the meeting in Costa Rica. The Agenda for this meeting will be the same as for the official meeting in Costa Rica and the notice of time and place will be published not less than two weeks prior in the Paris Herald Tribune, Time Magazine (Atlantic Edition) and Frankfurter Allgemeine.

All the individual accounts of our shareholders will be moved to Costa Rica in October and effective 15th October 1971 will all shareholders please address all correspondence to Capital Growth Company, S.A., Apartado 7-1460, San José, Costa Rica. Our staff there will be pleased to answer all your queries.

It has been a pleasure to inform you of the progress we are now making and we will be writing to you again with details of other developments just as soon as they occur.

Very truly yours,
NEW PROVIDENCE SECURITIES, LTD.

C.W. McAlpin
President

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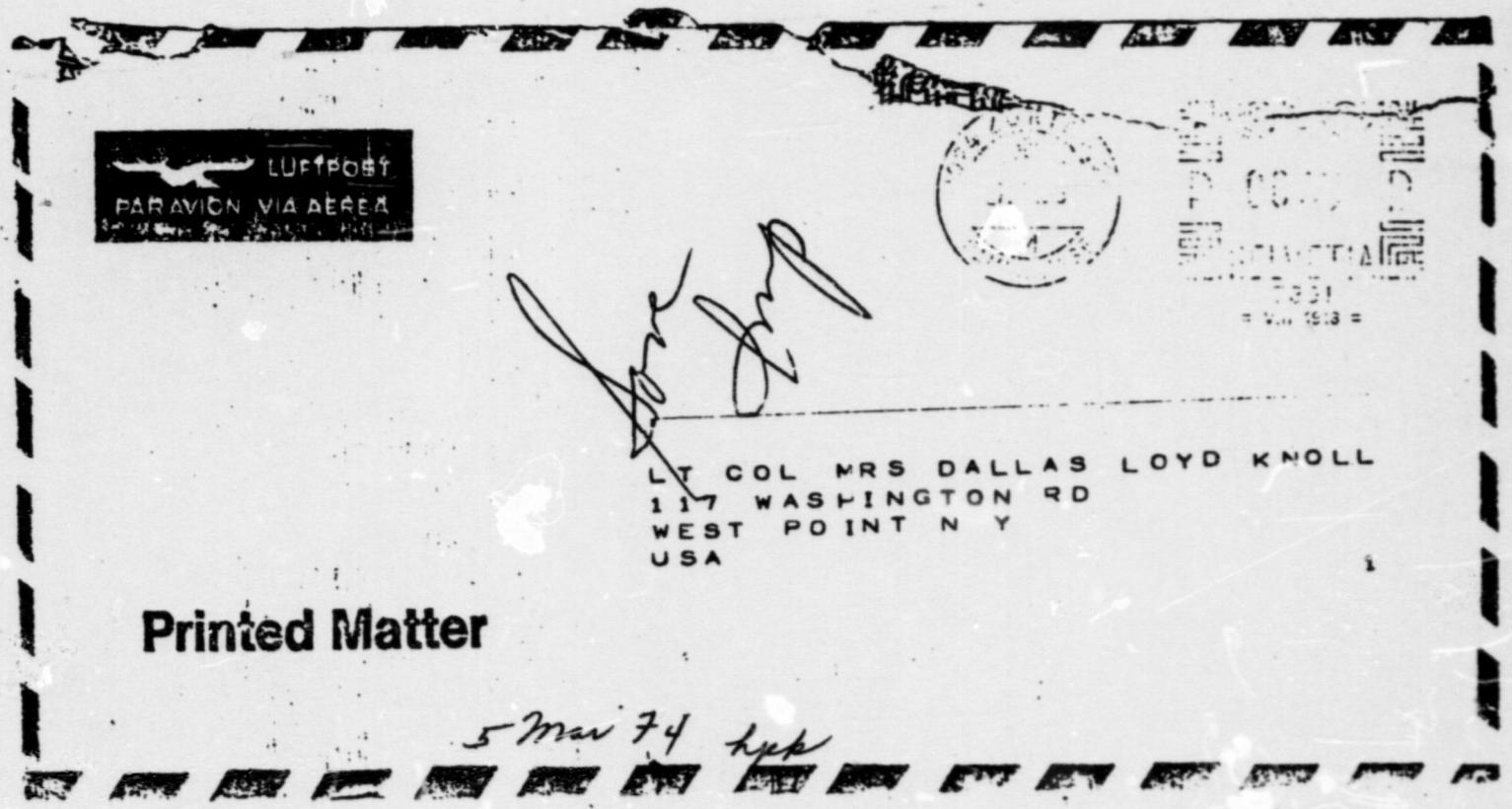
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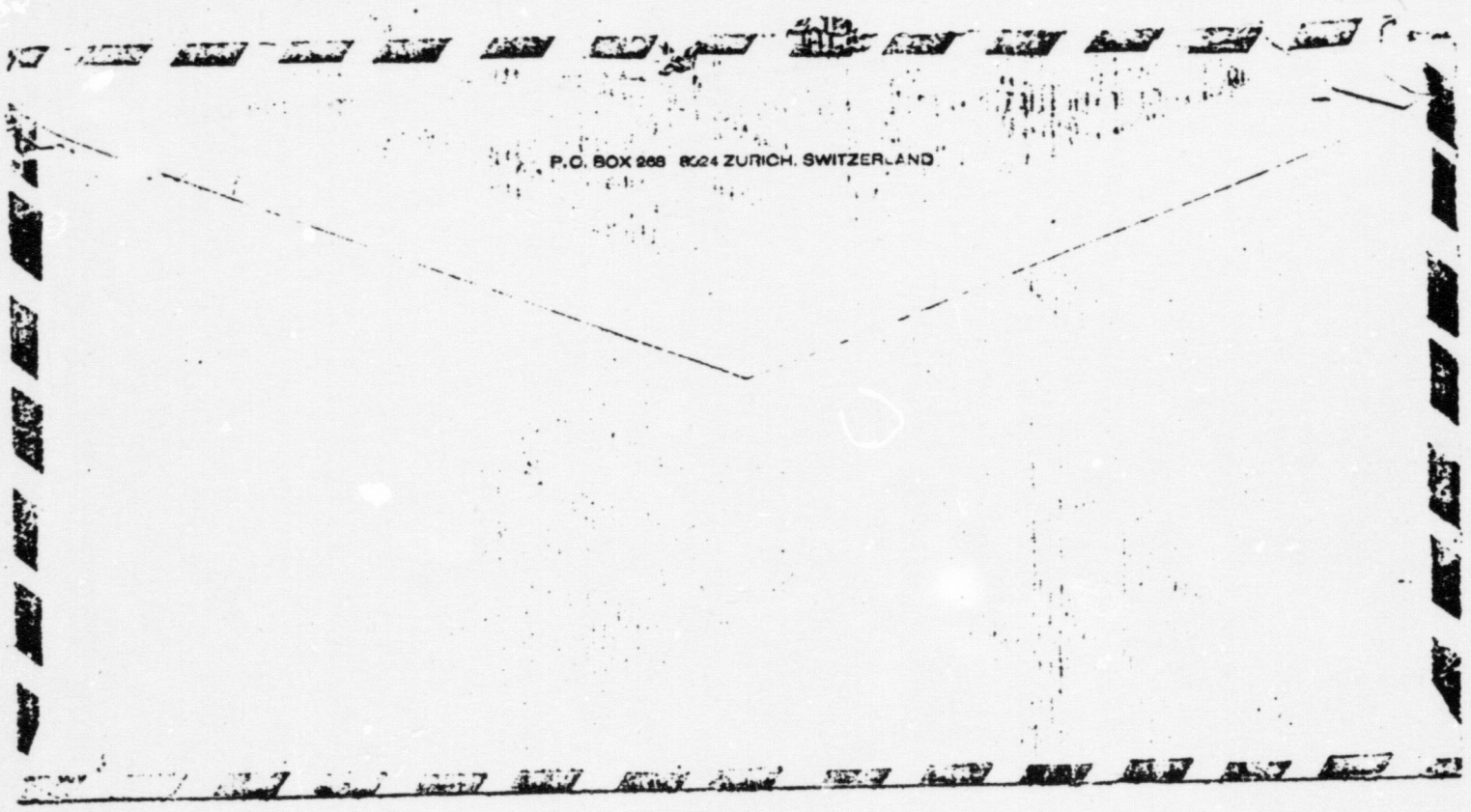

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NEW PROVIDENCE SECURITIES, LTD.
EXECUTIVE OFFICE SUNLEY BUILDING
P. O. BOX 1065. NASSAU. BAHAMAS.

TELEPHONE 2-4570
CABLE FIRSTBIT
NASSAU BAHAMAS

CWMcA/as
December 31, 1968

YEAR-END MESSAGE OF THE PRESIDENT
TO ALL SHAREHOLDERS

Enclosed with this letter is the report for the third quarter of 1968 for Capital Growth Fund which we have just received from our auditors. As is customary, it reflects the securities positions which our investment advisors have recommended during the first nine months of 1968. It is considered by experts to be an excellent investment portfolio, diversified and leveraged to take advantage of any upswings reflected in the market place. Because of the major accomplishments which have taken place since the date of this report, we believe it desirable to bring to your attention a few highlights of our progress during the last three months. They are:

1) Negotiations were completed and agreements signed with the Manufacturers Hanover Trust Company of New York to serve as full Custodian Bank for all the assets of Capital Growth Fund. We consider this of major importance because Manufacturers Hanover Trust Company is the fourth largest bank in the United States and one of the larger banking institutions in the world. In the near future a new prospectus will be issued by Capital Growth Fund reflecting our alliance with Manufacturers Hanover Trust Company and detailing the many advantages this offers for Capital Growth Fund and its individual shareholders.

2) Since the founding days of Capital Growth Fund, we have adhered to our principle of the best possible leverage for the shareholders. We know that "making money work" is the most positive way to make money, and in the recent past we have achieved leverage for our shareholders by the use of margin accounts with various member firms of the New York Stock Exchange. While this was satisfactory, margin accounts are limited to a 20% loan factor. During this fourth quarter, negotiations were completed with a syndicate of major banking institutions in the world for an initial line of credit of $35 million. On December 16, the first increment of $10 million was received by Capital Growth Fund and subsequently has been invested in the market place. This gives the shareholders of Capital Growth Fund the unique advantage of a positive leverage factor in making their dollar investment do the work of an extra 40%. The balance of the line of credit,

$25 million, will be received after the first of the year and invested as quickly as our advisors deem prudent. To our knowledge, no other mutual fund is able to offer a built-in program such as this; it is a continuation of creative financial planning in Capital Growth Fund.

3) The total net assets of Capital Growth Fund as of this date exceed $77 million. This is an increase during the fourth quarter of approximately 17% from September 30. The leverage addition brings the total to $87 million.

4) Following continued progressive management principles in Capital Growth Fund, the management has completed the organization of Capital Growth Fund Distributors AG, which is a fully registered company domiciled in Zurich, Switzerland. This was done so that the company may be a full-fledged member of the international financial center of the world, Zurich, Switzerland.

It would be premature to include in this letter other plans which are now under consideration. As in most of our programs, such as the remarkable insurance guarantee which we offer, we expect the highest form of flattery, that of being copied by the management of other mutual fund organizations. The fact that since the inception of Capital Growth Fund we have had the outstanding cumulative growth rate of approximately 280%, is reason enough that your fund continues to be the "standard of comparison" by all other sales organizations. It also accounts for the reason that Capital Growth Fund is offered through the most outstanding dealer organization and banks in the world.

Management anticipates an excellent investment market during 1969 and we are satisfied that positive decisions have been made to place Capital Growth Fund in a position to take advantage of any improved market during 1969.

The Officers and Directors of your company, as well as our fine dealer organization, join with me in expressing to you sincere appreciation for your confidence and loyalty and wishing for a continued profitable association among ourselves during 1969.

Yours sincerely,

C. W. McAlpin
President

Enclosure

CORRESPONDENTS
HAYDEN, STONE INCORPORATED
MEMBERS NEW YORK STOCK EXCHANGE

GENERAL DISTRIBUTORS OF
THE SECOND BAHAMAS INVESTMENT TRUST
CAPITAL GROWTH FUND: CAPITAL SECURITY FUND

NEW PROVIDENCE SECURITIES, LTD.
SUNLEY BUILDING PENTHOUSE
P. O. BOX 1065. NASSAU, BAHAMAS
TELEPHONE 2-4570 CABLE "FIRSTBIT"

8th August, 1967.

Dear Shareholder,

We are pleased to announce certain changes in the technical side of our investment procedure which we feel will be of great benefit to our shareholders.

The investment policy will remain the same - diversification in the common stock of growth companies, diversification of management , and the use of leverage through borrowing money for investment.

Instead of investing in U.S. mutual funds, we will invest in our own - five or more - open end investment trusts supervised by some of the best Investment Advisors in the United States. These Investment Advisors are all registered with the Securities and Exchange Commission in the United States.

The complete changeover will take several months. Van Strum & Towne, Investment Advisor to the Channing Funds, will be the Investment Advisor of the first trust. Shares of The Channing Growth and Special Funds will be liquidated and placed under the Investment Advisory service of Van Strum & Towne. We will have greater flexibility of the use of borrowed money, lower interest rates, and considerable tax advantages. Arawak Trust Company Limited, Trustee of Capital Growth Fund, will be Trustee of the new trusts, Price Waterhouse & Co. the Auditors, and Hayden, Stone Inc. our stock brokers. Our present plans are to continue to use The First National Bank of Washington as custodian of Capital Growth Fund.

This new procedure has been adopted as a result of consultation with the Securities and Exchange Commission of the United States and after months of study and consultation with the management of the Funds held in our portfolio, Hayden Stone Inc. and many other investment experts. We feel that we will be able to improve the performance of Capital Growth Fund even beyond our present excellent record.

Yours very truly,
NEW PROVIDENCE SECURITIES LIMITED

C. W. McAlpin,
President.

CAPITAL GROWTH FUND DISTRIBUTORS AG

Mühlebachstrasse 25
8008 Zurich, Switzerland

Telephone: 051/47 66 72
Cable: Firstbit Zurich
Telex Number: 54 637
P.O. Box 268 8024 Zurich

CAPITAL GROWTH GROUP

June 1971

Dear Shareholder,

New Providence Securities Ltd. is pleased to confirm to all our shareholders that their insurance feature has worked satisfactorily for all clients who have retained accounts in good standing with the Capital Growth Group Funds.

All claims have been met promptly and the Management has been completely satisfied with the service offered by our insurance companies. In view of this, the Management Company intends to continue this protection indefinitely.

For the evaluation of our actuarial records and for the establishment of the necessary reserves, we require a health statement from you. A copy of this statement is enclosed. Please fill in the answers completely and accurately and mail it to us, duly signed by you, as soon as possible.

All persons who answer and return the health statement will be able to continue their free insured program, REGARDLESS OF THEIR PRESENT AGE OR STATE OF HEALTH. No insured program in force will be cancelled except for failure to complete, sign and return the enclosed form within 90 days of the above date.

This request for the completion of the enclosed health statement is required in order to protect you in case of death, against loss of capital.

We shall be most obliged if you would return to us the enclosed health statement form within the 90 days period mentioned above.

Very truly yours,

CAPITAL GROWTH FUND DISTRIBUTORS AG
Insurance Department

J.L. Morganti

J.L. Morganti
Assistant Vice President

Encl.

5 Nov 74
Lpt

E-58

APITAL GROWTH COMPANY, S. A.
RTADO 7-1460
JOSE, COSTA RICA

28th February, 1972.

Our ref: RleC/owt

Mrs. Helen P. Knoll,
265 Moline Street,
Aurera,
Colorado,
U.S.A.

Dear Mrs. Knoll,

Re: Account No. FG 121

We thank you for your letter of 31st December, 1971, and sincerely apologise for the delay in replying which is due to the many changes that have taken place in the company over the past few months.

We regret we did not receive your letter of November.

We enclose a copy of our January newsletter which gives full information on the current position of the company. We would point out that two items in this letter are out of date. On page 2 under "Trading", the bank mentioned has proved to be an unsatisfactory market for our shares and negotiations are at present being made to provide a new market. Details of this market will be available in approximately one month. Under the heading of "listing" we regret the financial report will not be completed until July at the earliest. This delay is due to the fact that we have to collect vital information from our offices around the world and this is taking much longer than originally anticipated.

We hope this answers your questions, and remain

Yours sincerely,

Roger le Clercq
Asst. Manager

E-60

NEW PROVIDENCE SECURITIES, LTD.

BASSOON BUILDING P.O. BOX 1065 NASSAU (BAHAMAS)

PLEASE REPLY C/O

CAPITAL GROWTH SERVICES LTD.
ONE MOUNT STREET
LONDON W1A 4PL, ENGLAND
TELEPHONE 01-499 5066
CABLE: FINSTEST LONDON W1
TELEX: 267284 CGS LONDON

CAPITAL GROWTH FUND

London, 16th July 1971

Dear Shareholder,

The Directors of New Providence Securities Ltd., Management Company of Capital Growth Fund and sponsor of New Providence Investment Plans, find it necessary to convert Capital Growth Fund to a closed-end investment company as of the 19th July, 1971. This step has been taken to reduce expenses of both the Fund and the Management Company and, we hope, to provide better investment performance.

The Management Company is no longer in the financial position to continue the insurance programme or to provide the computer, personnel, and sales expenses to continue as an open-end company. The increased cost of the insurance alone is now approximately fifty percent more each month than the fee received for managing the Fund.

The 30th June, 1971, financial statements are in the process of being audited and will be mailed upon completion. You will continue to receive a quarterly financial statement, as well as a detailed annual report of the company's activities. The annual report will include the audited financial statement for the year.

The London and Zurich offices are to be closed in the near future and the Fund will be operated from San Jose, Costa Rica. The address there is Capital Growth Fund, S.A., Apartado 7-1460, San Jose, Costa Rica.

Each shareholder of New Providence Investment Plans will be issued a certificate directly from Capital Growth Fund, S.A. This certificate will describe the number of shares and is a negotiable instrument. Each share will entitle the owner to one vote at each annual meeting of the shareholders of the company.

It is the intention of Management to list the shares of the company on a European Stock Exchange, as soon as possible. In the meantime, provision will be made for one or more reputable brokerage firms to make a market in the shares. As soon as the new certificates are issued you will be able to sell your shares or purchase more.

This change will ensure the continued operation of Capital Growth. Management will continue to advise you of the progress of your company.

Very truly yours,
NEW PROVIDENCE SECURITIES, LTD.

C.W. McAlpin
President

ONLY COPY AVAILABLE

E-61

8 Dec 72

To Roger le Clercq
Capital Growth Company, S. A.
Apartado 7-1460
San Jose, Costa Rica

Mr. le Clercq:

I have previously signed and returned to you the enclosed form—I certainly hope that this time it does not go astray. I have been greatly inconvenienced with this venture. First, I do need the money—and trying to contact you to get a repy —is like trying to fly to the moon in a boat!

Please let me know immediately when you have received the enclosed form.—if you do not receive this—I am certain it is not the fates—it will be the failure of mankind!

Sincerely,

Helen P. Knoll and
Dallas L. Knoll, Jr.

Copy sent to Capital Growth

E-62

HEADQUARTERS
UNITED STATES MILITARY ACADEMY
WEST POINT, NEW YORK

New address

27 September '71
265 Malone St
~~Aurora, Colo.~~ 80010

Capital Growth Inv Ltd
Mr James Miller
One ~~Mount~~ Street
London, W1A - 4PL - England

Member #01044 — acct # FS121/000
Issued 12/1/65 ___ shares 247.743

I was told by Mr Glover, who had an a/c with Capital Growth that he would be told how to contact you. Please let me know what if must do to close my a/c - since I have no shares & have closed it.

The above is a new address; my previous address was 2090 Nome - please use the ~~new~~ address.

Sincerely,
Helen P. Knoll

5 Mar 74
-bak-

P. O. Box 1065
Nassau, N. P.

VIA AIR MAIL

E-63

Lt. Col D. L. Knoll
117 Washington Road
West Point
New York
U. S. A.

5 Mar 74

NEW PROVIDENCE SECURITIES, LTD, E-64 CAPITAL GROWTH FUND

Othmarstrasse 8, 8008 ZURICH, Switzerland

TABLE SHOWING THE RESULTS OF $100.00 PER MONTH INVESTMENT PLAN WITH $1,300.00 INITIAL INVESTMENT STARTED ON SEPTEMBER 24, 1962 UP UNTIL JANUARY 1, 1966.

DATE	M. I.	PRICE	SHARES	VALUE
Sept. 24, 1962	1,300.00	4.17	155.702	648.50
Jan. 1, 1963	100.00	4.33	247.952	1,075.08
April 1, 1963	100.00	4.50	312.816	1,409.24
July 1, 1963	100.00	4.72	372.932	1,762.10
Oct. 1, 1963	100.00	5.11	429.888	2,194.58
Jan. 1, 1964	100.00	5.39	484.160	2,609.62
April 1, 1964	100.00	6.04	533.362	3,220.50
July 1, 1964	100.00	6.25	580.328	3,629.95
Oct. 1, 1964	100.00	6.21	627.324	3,895.68
Jan. 1, 1965	100.00	6.08	673.622	4,098.99
April 1, 1965	100.00	7.08	714.326	5,057.43
July 1, 1965	100.00	6.00	756.280	4,537.68
Oct. 1, 1965	100.00	8.32	795.258	6,616.44
Jan. 1. 1966	100.00	11.93	821.610	9,801.80

Total Invested 5,300.00 Net Value on Jan. 1, 1966 9,801.80

==========

A WITHDRAWAL PROGRAM OF 2% QUARTERLY (8% ANNUALLY) BASED ON SHARES WORTH $10,000.00 in CAPITAL GROWTH FUND on SEPTEMBER 24, 1962.

DATE	PRICE	CHANGE	VALUE	Quarterly 2% Withdrawal	Remaining Cash Value
Sept. 24, 1962	4.17	-	10,000.00	-	10,000.00
Jan. 1, 1963	4.33	+4.03%	10,403.00	208.06	10,194.94
April 1, 1963	4.50	+3.88%	10,590.50	211.81	10,378.69
July 1, 1963	4.72	+4.99%	10,896.59	217.93	10,678.66
Oct. 1, 1963	5.11	+7.94%	11,526.54	230.53	11,296.01
Jan. 1, 1964	5.39	+5.61%	11,929.71	238.59	11,691.12
April 1, 1964	6.04	+12.06%	13,101.07	262.02	12,839.05
July 1, 1964	6.25	+3.62%	13,303.82	266.08	13,037.74
Oct. 1, 1964	6.21	-0.72%	12,934.09	258.86	12,684.23
Jan. 1, 1965	6.08	-2.02%	12,428.01	248.56	12,179.54
April 1, 1965	7.08	+16.35%	14,170.79	283.41	13,887.38
July 1, 1965	6.00	-15.25%	11,769.56	235.39	11,534.17
Oct. 1, 1965	8.32	+38.66%	15,993.28	319.86	15,673.42
Jan. 1, 1966	11.93	+43.39%	22,474.12	449.48	22,024.54

Total Income for 39 months $3,430.58. Cash Value of remaining Shares $22,024.54

Average cash income to date 10.55% per year PLUS an average growth of 38% per year in the value of the Investment.
After 3 1/4 years the current cash income of the original investment of $10,000.00 is at the rate of 18% per year.

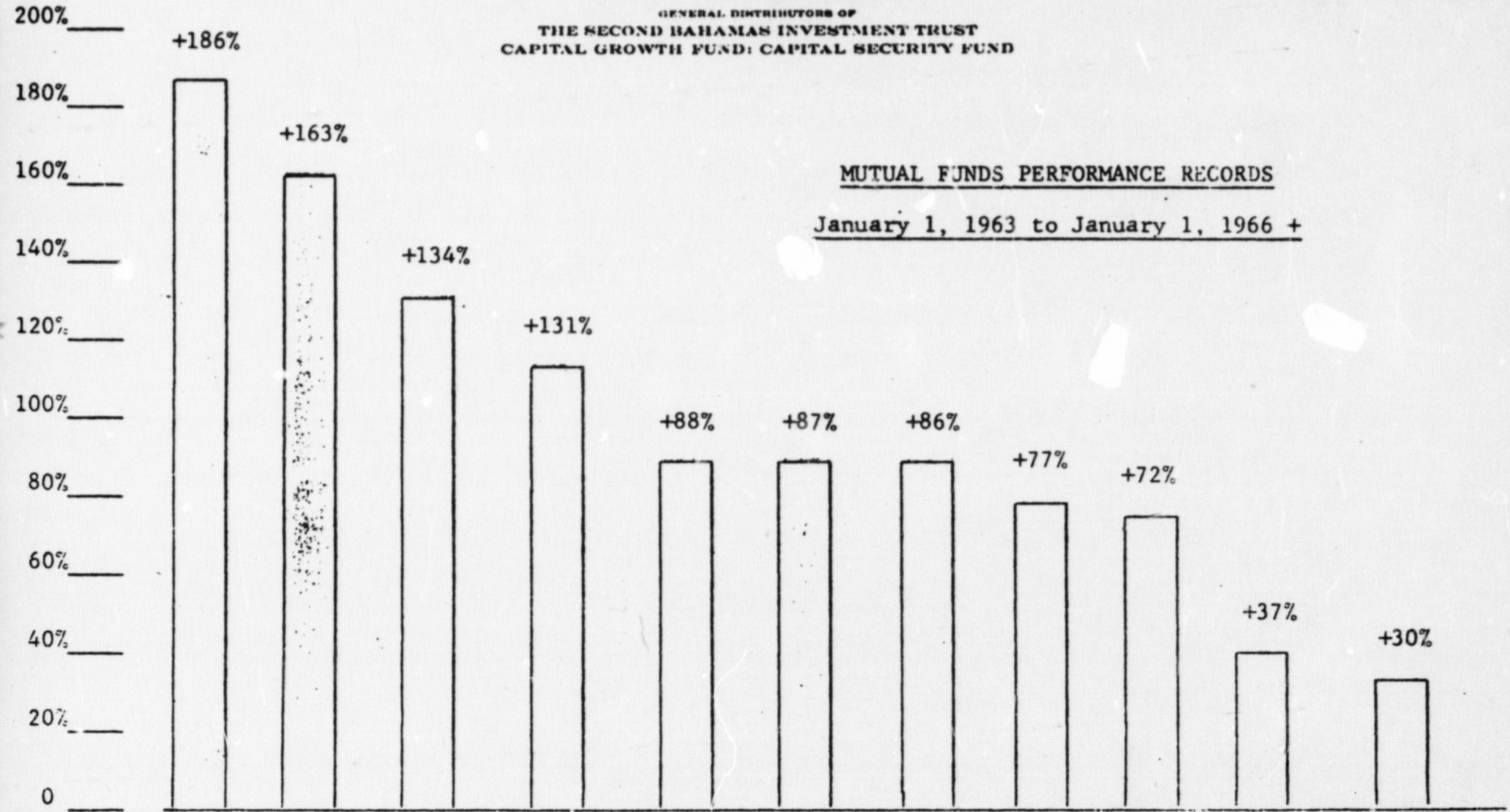
NOTES

1. The income received is from the sale of shares and is not income from dividends.
2. In areas where there is no capital gains tax, this income should be tax free.
3. In areas where there is a capital gains tax, generally you would deduct the cost of the shares sold and pay capital gains tax on the profit, thus achieving a favourable tax base on the income.
4. You should consult your own tax authority if there is any question.

NEW PROVIDENCE SECURITIES, LTD.
OTHMARSTRASSE 8
8008 ZÜRICH, SWITZERLAND
TEL. 47 04 31 CABLE: "FIRSTBIT"
GENERAL DISTRIBUTORS OF
THE SECOND BAHAMAS INVESTMENT TRUST
CAPITAL GROWTH FUND: CAPITAL SECURITY FUND

MUTUAL FUNDS PERFORMANCE RECORDS

January 1, 1963 to January 1, 1966 +



+ Percent of gain in net asset value with all distributions reinvested.
+ Source: "Fundscope" and The New York Herald-Tribune.

E-65

NEW PROVIDENCE SECURITIES LTD., S. A.
APARTADO 7-1460
SAN JOSE, COSTA RICA

March 15, 1972

TO ALL SHAREHOLDERS OF CAPITAL GROWTH COMPANY, S. A.

Dear Shareholder:

On February 12, 1972, there was a special meeting of the Board of Directors of New Providence Securities, Ltd., S. A., management company of Capital Growth Company, S. A., and we would like to bring you up to date on the recent developments of your Company.

We are working diligently to complete the audit for September 30, 1971, and to plan for quicker audits in future. Part of the delay in production of the current audit has been due to the closing of the offices in Zurich, London and Nassau and the moving of the records to San José. We are also experiencing considerable delays in gathering documents which are vital to the audit from other companies and auditors involved, and from the stored records in Europe. As soon as all of these documents and records are compiled, our auditors, Peat Marwick Mitchell & Co., will be able to continue with the audit. The audit will be mailed to you as soon as possible.

Regarding the real estate portion of the portfolio, we are pleased to announce that we have sold our interest in the Coral Beach property in Puerto Rico with a profit of over one half million dollars.

We are renovating the apartments in Pensacola and we are studying plans to construct an additional sixty units on the property we own adjacent to the present buildings.

We have taken over complete operation of the Santa Elena coffee plantation and mill. This year we have broken all records in processing coffee in the mill, over 3,500,000 pounds and expect to bring this up to 7,000,000 pounds next year.

The Board of Directors reconfirmed the policy of the company to use leverage for investing in the United States securities market and this policy is in effect. Investments will be made primarily in listed securities on the New York or American stock exchanges with emphasis on substantial growth companies. The following is a list of the investment securities portfolio as of February 12, 1972:

10,000	shares	Allied Maintenance
10,000	shares	Brunswick Corporation
20,000	shares	Canadian International Power
30,000	shares	Crown Cork & Seal
8,400	shares	Flagg Industries
15,000	shares	Florida Gas Company
20,000	shares	Gulf Life Holding
15,000	shares	Walter E. Heller International
6,000	shares	International Flavors & Fragances
6,000	shares	S. S. Kresge
98,200	shares	LaMaur
25,000	shares	Loews Corporation
10,000	shares	Nabisco, Inc.
25,000	shares	Penn Fruit Company
15,000	shares	Philip Morris
7,100	shares	Riviana Foods Inc.
10,000	shares	U. S. Tobacco Co.

As you were informed last year, circumstances required that the expenses of both Capital Growth Company, S. A., and the management company be reduced drastically. This has been done. However, the reduction of expenses necessarily restricts many shareholder services. We are now operating out of modest offices in San José with a staff of only six people. We have been consolidating the files of four offices, issuing the new certificates, preparing the books for audit, keeping current accounts, and trying to answer the very large volume of correspondence. Please be patient if you have not yet received an answer to a question.

Unfortunately, there was a misunderstanding regarding Wirtschaftsbank Zurich making a market in Capital Growth Company, S. A. shares. We were advised by a stockbroker in Zurich that the bank would accept orders to buy and sell the shares. The bank has requested that we notify all shareholders that we were in error. We regret any inconvenience to the shareholders and the bank.

We have decided to establish a subsidiary of Capital Growth Company, S. A. to make a market in the shares of your Company. We feel that this is the best solution to the problem, and will ensure a fair market with the smallest spread between buy and sell. Any profit will be for the benefit of your Company.

Please address any inquiries concerning the market for the shares to:

Universal Venture Capital, S. A.
John La Mont and Associates, Agent
P. O. Box 4634
Beirut, Lebanon

A quotation will be provided weekly in the Paris Herald Tribune.

Very truly yours,

NEW PROVIDENCE SECURITIES, LTD., S. A.
By: The Board of Directors
C. W. McAlpin
Dr. Antonio Peña Chavarría
John La Mont
James R. Millar
Sanford C. Shultes
Frank Caldart
Harlé Jervis
María L. Ruckli

E-68

NEW PROVIDENCE SECURITIES, LTD.

SASSOON BUILDING P.O. BOX 1065 NASSAU (BAHAMAS)

PLEASE REPLY C/O

CAPITAL GROWTH SERVICES LTD.
ONE MOUNT STREET
LONDON W1A 4PL. ENGLAND
TELEPHONE: 01-499 5066

CAPITAL GROWTH FUND

London, 27th May 1971

Dear Shareholder,

It is with great pleasure that we can announce the completion of the transfer of Capital Growth Fund to Costa Rica. Costa Rica is a country with a long history of political and financial stability, with a very strong corporate law. In addition, the Fund will continue to have the benefits of complete tax freedom as well as secrecy of accounts.

The structure of the Fund has been changed from a Trust to a Corporation, Capital Growth Fund, S.A., of Costa Rica. The Fund will continue to be managed by New Providence Securities Limited from their office in San Jose, whose address is P.O. Box 10,299, San Jose, Costa Rica. This enables the Fund to save the very considerable trustee fees and will facilitate the quarterly audit. Fiduciary Trust Company of New York remains as Custodian of the assets of the Fund.

The Management Company is presently engaged in negotiation with two major international auditing firms. With their advice we are establishing controls and systems flow that should in a few months provide a printed and mailed audit within thirty days of the end of each calendar quarter. An audit of the accounts for the period from September 30th, 1970 to June 30th, 1971 will be mailed as soon as possible.

Capital Growth Fund, S.A., has entered into an advisory contract with Sheffield Advisory Company, Eleven Broadway, New York, N.Y.
Mr. Sanford C. Shultes, formerly with Fiduciary Trust Company of New York, is the Managing Director of Sheffield Advisory Co.

The Fund has made arrangements to borrow money for leverage under very favourable terms. It is expected that we will be fully leveraged within the next two weeks, and hopefully we will be able to take advantage of a rising market through the rest of the year.

/Continued ....

/Continued ....

London, 27th May 1971

A major policy change has been established by the Directors of the Management Company. The Fund will only make new investments in securities which are listed on the New York or American Stock Exchanges, except for Bank or Insurance Company securities which are quoted by the National Association of Securities Dealers in the United States.

We are all very hopeful that in the near future Capital Growth Fund will again be a leader in the mutual fund industry. The severe loss of values in the U.S. market over the past two years were of course magnified by our use of leverage. However, the estate of each investor in Capital Growth Fund has been fully protected against loss during this time. No other investment has been able to give you this security of capital.

With best wishes for a more successful year, I am,

Very truly yours,

C.W. McAlpin
President

THIS EXHIBIT IS BEING REPRODUCED IN
THE FORM IT

MAILING OF SHARES:

Many people have already claimed and received their shares, which were sent out on November 15th, 1971. Others will receive theirs in the second mailing of late January 1972. The first mailing was in response to those applications received in London prior to October 10th, 1971. The second mailing will cover those accounts for which valid applications are received in San José before January 21st, 1972. Later applications will be included in future mailings. The actual mailing takes place from a Bank, since our offices cannot provide the necessary personnel and security. This is the reason why the certificates are released in batches, and not piecemeal, and why we cannot issue certificates to individuals by return mail.

TRADING:

The Kerkraadse Handelsbank N. V. Representanz, 4-Dusseldorf, Bolkerstrasse 69, Germany, has agreed to act as stockbroker in these shares. Purchase orders may be placed through your own Bank, and sell orders may be placed directly with the Kerkraadse Handelsbank, accompanied by the certificates. All the mailings of the shares should be registered. It should be remembered that these are bearer shares, and therefore if shareholders omit their own name and address from the mailing, the Bank will neither know where the shares came from, nor where to remit the proceeds of the shares when sold.

PRICES:

We understand that the Bank has undertaken to place weekly notices in the International Herald Tribune, and a monthly notice in the Frankfurter Allgemeine to the effect that they are handling the shares. They may also include "bid" and "asked" prices in these notices as soon as they have been able to establish this market. Quotes should be requested directly from the Bank.

LISTING:

A listing of the shares on a stock exchange will be made as soon as possible. The primary consideration at this stage, however, is to have our books audited, and to have the audit published. At the present time we are still arranging our files in San José, and there is much to be organized before we can request the auditors to come in and look over our statements and figures. Please note that records from London, Zurich and Nassau must all be integrated. Although our figures for the Wall Street trading, and stock side of the Company are ready, we do not expect to present the final report for approval before the end of February at the earliest. This report will cover the period of September 30th, 1970 to September 30th, 1971. The researches of the auditors will not commence until around this date, and we cannot predict a final approval date at this stage. We apologize for these delays which are due to both the unforseen length of time taken for the move of our records and the lengthy process of checking every file for certificate release.

COUPONS:

The new shares each have twenty-five coupons attached. These coupons entitle the bearer of the shares to collect dividends as and when they are declared. The dividends can be claimed only on presentation of the respective coupon. The coupons must be included with the shares when the shares change hands. Coupon # 1 should be presented for the first dividend and so on. Each dividend announced will bear a number which will enable the bearer of the shares to select the correct coupon.

5 Nov 71
Lok

DIVIDENDS:

Dividends will be announced in the press when they are declared, and the Bank to which the coupons should be presented will also be announced. We can, if requested, advise shareholders through their banks, when dividends are declared. For this service you should write to the above address, giving your bank's address. This service will notify, but cannot effect payment, since the coupons are necessary for claiming the dividend. No dividends will in any case be declared prior to the end of the first fiscal year in October 1972.

PAR VALUE:

The shares each have a par value of 10 cents. This does not mean that they are worth 10 cents each. The par value is an accounting expression used when expressing the amount of the dividend declared, and is also a factor of the "authorized capital" of the Company. If in doubt about this expression, you should ask your Bank Manager, or an accountant to explain it more fully.

GENERAL:

We have had a lot of correspondence to answer, and many people simply ask for "information". We believe this news letter provides this as fully as possible.

Many people have asked why we moved from the Bahamas to Costa Rica, and closed our European offices. The reason is mainly political; Costa Rica offers all of the tax benefits which the Bahamas used to offer, and which are now disappearing. In addition, Costa Rica has the reputation of being very peaceful and politically stable. The London and Zurich offices were closed on the grounds of cost effectiveness, and for no other reasons. For your fuller information, we add to this report a statement of Assets and Liabilities of Capital Growth Company, S. A., for September 30th, 1971. This statement is, of course, unaudited.

Certificates sent: 1st mailing ☐

2nd mailing ☐

Not sent yet ☒

E-72

NEW PROVIDENCE SECURITIES, LTD.

SASSOON BUILDING P.O. BOX 1065 NASSAU (BAHAMAS)

PLEASE REPLY C/O

CAPITAL GROWTH SERVICES LTD
ONE MOUNT STREET
LONDON W1A 4PL, ENGLAND
TELEPHONE: 01-499 5066

CAPITAL GROWTH FUND

Ex 4

April, 1971

Dear Client:

During the past few months we have received various queries from our clients, all of which have been answered individually. We feel, however, that some of the points raised would be of general interest to all Capital Growth shareholders and are therefore pleased to give you below a few guidelines which will help to clarify certain aspects of our whole operation.

1. To which office should I address correspondence and why is there no longer an office in Zurich?

All correspondence is to be exclusively addressed to our London office at One Mount Street, London W1A 4PL, England, with the exception of queries relating to insurance matters, which should be directed to Mr. J. L. Morganti, Head of the Insurance Department in our Zurich office. All investment orders--including cheque remittances--and liquidation requests are to be sent to the London office. Cheque remittances will then automatically be forwarded to our Zurich banks and the order processed here in London.

In fact, we still have an office in Zurich, although only the following departments are now located there:-

a. - Accounting Department
b. - Computer Department
c. - Insurance Department.

All administrative sections have, however, now been relocated in London. We still maintain all our banking connections in Switzerland and the USA and have no bank accounts in Great Britain. Therefore, cheques drawn on internal sterling accounts remain unacceptable to us in view of the Foreign Exchange Control Regulations in force in this country.

2. Why is the CGF price still at a low level, whilst the Dow Jones Index has recovered substantially during the past few months?

In fact the CGF price has made a stronger recovery than the Dow Jones Index during the past 9 months. From its all-time low at the end of May, 1970, it has risen, up until the end of March 1971, by approximately 50%. The percentage increase is reflected even more as the Fund price rises and we feel more than confident that in view of the present upward trend on the market, the CGF price will make good a lot of its lost ground. It must also be remembered that our prime interest has always been to invest into aggressive stocks in the Glamour Section (which have unfortunately been the hardest hit during the two years of bear market, but which

will no doubt be once again amongst the forerunners during the market recovery). Thus, the Dow Jones cannot always be regarded as a yardstick in judging our Fund's performance. The Dow Jones consists mainly of old and conservative stocks and history proves that after a long bear market, the investors' confidence returns first of all to these stocks, which consequently tend to rise faster in the early stages of a recovery than those in the Glamour Section.

In conclusion, we would like to draw your attention to the following points:

1. It is of great importance when writing to us always to quote your account number at the head of your letter. If this is not done, a great deal of work may be involved in locating the appropriate records among the thousands of individual clients' accounts we service and the reply to your letter may therefore meet with some delay.

2. Should you decide to effect a partial or total liquidation of your account, it is necessary to send us your certificate, even when the amount of the liquidation in question is small. If you do not send the certificate, delay will occur in the sending of the cheque corresponding to liquidation proceeds. Certificates should always be duly endorsed by the account holder(s) and accompanied by a letter requesting liquidation.

3. Should you at any time lose your investment certificate, you must immediately request from us an affidavit form for a lost, stolen or destroyed certificate. This will be sent to you for completion and should be returned as soon as possible in order to enable us to issue and send you a new certificate.

We hope that you will find the above information useful and wish to take this opportunity to thank you for your confidence in our Fund Group. We feel sure that this confidence will be rewarded during 1971 and in the years to come, since there is now a general upward trend on the U.S. stock markets, especially in view of the presidential election campaign, which will reach its climax next year. It may be worthwhile to point out once again that now is the time to buy CGF shares in order to bring down the average price of your total investment to a lower level, thus increasing your profit potential.

Sincerely yours

CAPITAL GROWTH FUND

CAPITAL GROWTH REAL ESTATE FUND

Christian E.A. Schaub
Assistant Vice President
Dealer/Client Services

CAPITAL GROWTH COMPANY S. A.

UNAUDITED STATEMENT OF ASSETS AND LIABILITIES PER SEPTEMBER 30th, 1972

LIABILITIES

1.	HACIENDA CAFETALERA SANTA ELENA LTDA.			
	Mortgages and Payables	3,088,390.38		
	less notes payable direct to Parent Company, Capital Growth Company S. A.		1,040,000.00	
	Corrected Liabilities			2,048,390.38
2.	NOTE PAYABLE FOR LAND HELD JOINTLY WITH LAGUNA GARDENS - PRINCIPAL	1,189,048.00		
	INTEREST	97,105.59		
				1,286,153.59
3.	NEW WORLD PROPERTIES INTERNATIONAL INC.			
	Mortgages and Payables	501.751.75		
	less notes payable direct to Capital Growth Company S. A.		115,000.00	
				386,751.75
4.	INCOME DEBENTURES: Principal	174,000.00		
	Interest Due	Nil		
	GROWTH DEBENTURES - redemption value per 9.30.71	72,273.20		
				246,273.20
5.	ACCOUNTS PAYABLE and miscellaneous items			
	Pending payments to ex-Capital Growth Fund Shareholders	15,874.32		
	Custody expense	4,617.85		
	Amounts due to brokers for stocks purchased	136,086.78		
	Interest due on borrowings	5,989.58		
	Accrued fees - legal, custody, etc.	15,000.00		
	Accrued September Management fee	20,000.00		
	Accrued Audit fees	10,000.00		
	Reserve for Chambacú recoverable	59,729.11		
	Deferred Income	470,000.00		737,297.84
				4,704,866.56
6.	COMMON STOCK PAR VALUE (1,000 shares o/s)	100.00		
7.	PREFERRED SHAREHOLDERS EQUITY (5,863,498 shares o/s)	16,245,643.42		16,245,743.42
	TOTAL LIABILITIES			20,950,609.98

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CAPITAL GROWTH COMPANY S. A.

UNAUDITED STATEMENT OF ASSETS AND LIABILITIES PER SEPTEMBER 30th, 1972

ASSETS

1. INVESTMENTS IN SECURITIES (at market)

No. of Shares	Stock	$ per share at Sept. 30th	$	
5,200	Allied Maintenance	37 5/8	195,650.00	
14,000	Allright Auto Parks	13 1/2	189,000.00	
10,000	American Building Maintenance	46 3/8	463,750.00	
54,100	Beneficial Standard Mortgage Wts.	6 3/8	344,877.50	
30,000	Golden West Financial	22 1/2	675,000.00	
87,200	La Maur Inc.	13	1,133,600.00	
30,000	Penn Fruit	9	270,000.00	
10,000	Transworld Airlines	40 7/8	408,750.00	
10,000	U. S. Tobacco	18 1/8	181,250.00	
	Total Market Value September 30th		3,861.887.50	
2.	AMOUNT RECEIVABLE FROM BROKERS for stocks sold		572,000.00	
3.	CASH IN BANKS		2,107,845.36	6,541,732.86
4.	INVESTMENTS IN COSTA RICA			
	Hacienda Cafetalera Santa Elena Ltda.*		4,092,574.28	
	Chambacú - recoverable ₡511,875		59,728.70	
	Chambacú - note receivable from ITCO		9,433.90	
	Chambacú - interest on note (170 days at 8%)		356.39	
	Chira Island - per June 30th trial balance		49,566.00	
	2,000,000 shares Sociedad Agrícola Industrial San Cristóbal - at equity per 6.30.72		2,058,432.00	
	Hacienda Chapernal - at cost		3,000,000.00	
	Further Farm Land Purchase		300,000.00	
	Agricultural Machinery		100,000.00	
	Down Payment - cattle purchase		50,000.00	9,720,091.27
5.	INVESTMENTS IN PUERTO RICO			
	Land held jointly with Laguna Gardens II Inc.		1,189,048.00	
	Golden Beach Apartments Corp. Notes receivable		1,600,000.00	
	Interest at 9% accrued		168,000.00	
	Condominium Development Corporation* at cost		20,000.00	2,977,048.00
6.	UNIVERSAL VENTURE CAPITAL equity 9.30.72		928,928.00	
	Advances to Universal Venture Capital and subsidiaries		121,388.74	1,050,316.74
7.	NEW WORLD PROPERTIES INC.* (Florida)			
	Gross Assets per 6.30.72		661,421.11	661,421.11
TOTAL ASSETS				20,950,609.98

* Wholly owned subsidiaries

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and an example is reproduced above. The market for the shares opened in April 1972 at $1.00 bid, $1.10 asked. On June 26th the quotation was $1.22 to $1.40. On October 16th, 1972, the quotation was $1.22 to $1.41. Many shareholders have asked for the reason for the low price as compared to the real asset value per share. We ask you to note that an audited report has not been published for 2 years, and the general public cannot be sure of the assets of the company until our next audit is published.

It should be remembered that these are bearer shares, and therefore if shareholders omit their own name and address from the mailing of the shares, Universal Venture Capital S. A. will neither know where the shares came from, nor where to remit the proceeds when a sale is effected. Please remember that all mailings of share certificates should be registered.

COUPONS:

The new shares each have twenty-five coupons attached. These coupons entitle the bearer of the shares to collect dividends as and when they are declared. The dividends can be claimed only on presentation of the respective coupon. The coupons must be included with the shares when the shares change hands. Coupon # 1 should be presented for the first dividend and so on. Each dividend announced will bear a number which will enable the bearer of the shares to select the correct coupon.

DIVIDENDS:

Dividends will be announced in the International Herald Tribune when they are declared, and the Bank to which the coupons should be presented will also be announced. We can, if requested, advise shareholders through their banks, when dividends are declared. For this service you should write to the above address, giving your bank's address. This service will notify, but cannot effect payment, since the coupons are necessary for claiming the dividend. No dividends were declared for the fiscal year ending on October 1st, 1972, and all share certificates at this time should still retain all coupons. The current status of all dividends will of course be summarised in all audited reports issued in the future. These reports will be available on request to Capital Growth Company S. A. at the above address.

PAR VALUE:

The shares each have a par value of 10 cents. This does not mean that they are worth 10 cents each. The par value is an accounting expression used when expressing the "authorized capital" of the Company. If in doubt about this expression, you should ask your Bank Manager, or an accountant to explain it more fully.

COMPANY POLICY:

It is the intention of the Management to direct the assets of Capital Growth Company S. A. into basic investment fields in which good growth should be possible. Our two

major interests for the future include coffee production, where profit potential has been considerably improved by the recent devastating frost in Brazil, and beef production, which a world shortage and high prices combine to make an attractive proposition.

SHAREHOLDERS MEETINGS:

A meeting was arranged in Europe for the purpose of acquainting stockholders of Capital Growth Company S. A. with the current situation. This meeting was held in London on September 4th, 1972. Despite advertising in all editions of TIME and the International Herald Tribune, only about 30 shareholders attended. The annual General Meeting was held in San José on October 4th, 1972. The accompanying unaudited statement of assets and liabilities was discussed. Resolutions were made and passed to provide for

1) The acceptance on the Board of Directors of Capital Growth Company S. A. of any person owning or representing by proxy 300,000 preferred shares of Capital Growth Company S. A. (5% of shares outstanding).

2) The holding of an extraordinary shareholders meeting on January 16th, 1973 in the offices of the Company, with the object of forming a "vigilante" committee of shareholders to assist in the communication of information to shareholders all over the world, and to monitor the financial activities of the company on a continuing basis.

GENERAL:

We have had a lot of correspondence to answer, and many people simply ask for "information." We believe this newsletter provides this as fully as possible. Many people have asked why we moved from the Bahamas to Costa Rica, and closed our European offices. The reason is mainly political; Costa Rica offers many of the tax benefits which the Bahamas used to offer, and which are now disappearing. In addition, Costa Rica has the reputation of being very peaceful and politically stable. The London and Zurich offices were closed on the ground of cost effectiveness, and for no other reasons. In accordance with our new accounting practice, all unquoted assets appear on the accompanying statement at their bare equity value, and not at estimated fair or market value as was the case when Capital Growth Company was open-ended.

STATUS OF ACCOUNT NUMBER: FG 121

Certificates sent:	1st Mailing	( ) If not received, please notify us.
	2nd Mailing	( ) If not received, please notify us.
	3rd Mailing	( ) If not received, please notify us.
	4th Mailing	( )
Planned for:	5th Mailing	( )
Non-receipt has been advised to us - we are researching		( )
No request yet received - please advise us where to send your certificates		(X)

CAPITAL GROWTH COMPANY. S. A.
APARTADO 7-1460
SAN JOSE, COSTA RICA

NEWSLETTER TO SHAREHOLDERS - NOVEMBER 1972

HISTORICAL:

In April 1971, Capital Growth Fund moved from the Bahamas to Costa Rica, becoming Capital Growth Fund, S. A., a Costa Rican corporation. In July 1971, Capital Growth Fund S. A. ceased repurchasing their shares and became "closed-end." The Company's name was changed to Capital Growth Company, S. A., and the issue of new preferred bearer shares was authorized. These shares were allocated on a one for one basis, to previous Capital Growth Fund planholders, fractional shares being rounded up to the next whole share. In August 1971, Capital Growth Company S. A. took over the assets of Capital Growth Real Estate Fund, issuing 2.517 shares for each previous share in Capital Growth Real Estate Fund. This ratio represented the last calculated net asset value per share of both Capital Growth Fund and Capital Growth Real Estate Fund - namely 4.52 and 11.38 on July 16th, 1971.

COMMUNICATION:

All planholders were mailed notice of these changes as and when they occurred. Letters were sent out on July 16th, August 10th, October 1st to Capital Growth Fund planholders, and on August 12th and October 1st to Capital Growth Real Estate planholders. A further letter was sent to the last recorded address of each investor on March 15th, 1972.

In the interest of economy, we regret that we must in future answer all correspondence in English. To read and answer letters in any other language requires translation of both the letter and its answer, and this increases the time taken for the processing of a letter by approximately 500%. If shareholders use English or Spanish to write to us - preferably English - they are much more likely to get a complete and speedy reply.

When writing to us about matters concerning your shares or your past transactions in the Fund, please quote your old account number as a reference. It is not always possible to locate your personal file from your name alone, and omission of the account number will result in a delay in our reply.

CURRENT STATUS:

Capital Growth Company S. A. is a Costa Rican corporation with over 5-1/2 million preferred shares issued. These shares have first claim on the assets of Capital Growth Company S. A. in the event of liquidation. They may be bought and sold between third parties, via an agent or "stockbroker". They may <u>not</u> be sold back to the Company, and therefore the number of shares of the Company outstanding remains constant. This is what is meant by a "closed-end" company. The certificates issued are "bearer Certificates." This means that the ownership is not registered with the Company, and that possession of the certificates is proof of ownership, in the same way that a dollar

bill does not have a "registered owner." For this reason, these certificates should be insured by the bearer, (the owner), against loss and theft. Since there are no registered owners, continued insurance of individuals by the management company is not possible. The previous insurance of planholders is now no longer in effect. Notice of this insurance cancellation was included in the letter of July 16th, 1971.

SHARES:

These new shares should be claimed by the individual entitled persons by writing to Capital Growth Company S. A., Apartado 7-1460, San José, Costa Rica. It is essential that such letters should include:

1) The signature(s) of (both) the planholder(s) as on the original application form.
2) The address to which the shares should be sent, including the legible name of the addressee.
3) The plan number under which the share interest was originally acquired.

MAILING OF SHARES:

Many people have already claimed and received their shares. Mailings have taken place as follows: The first mailing was made on November 15th, 1971, with the last checking deadline October 10th. The second mailing was made on March 17th, 1972, with the last checking deadline February 7th. The third mailing was made on August 9th, 1972, with the last checking deadline June 13th. The fourth mailing is due for release in November 1972, and the last checking deadline was October 24th. The actual mailing takes place from a Bank, since our offices cannot provide the necessary personnel and security. This is the reason why certificates are released in batches, and not piecemeal, and why we cannot issue certificates to individuals by return mail. Some delay is therefore to be expected between applications for shares and the actual mailing.

TRADING:

In February, the Board of Directors of New Providence Securities Ltd. S. A. established a subsidiary of Capital Growth Company S. A. to make a market in the shares. The Board felt that this was the best solution to the problem of ensuring a fair market with the smallest spread between buy and sell. Any profit will be for the benefit of Capital Growth Company S. A., and will be reflected in the consolidation of the subsidiary, Universal Venture Capital S. A., into the accounts of Capital Growth Company S. A.

Please address any inquiries concerning the market for the shares to:

Universal Venture Capital S. A.
John La Mont and Associates, Agent
P. O. Box 4634
Beirut, Lebanon

BEARER SHARES OF
CAPITAL GROWTH COMPANY S.A.
We buy at U.S. $1.27
We sell at U.S. $1.41
Universal Venture Capital S.A.
c/o Box 4634, Beirut, Lebanon
Prices valid until October 30, 1972.

A quotation is being provided each Monday in the Paris Herald Tribune, financial section,

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TO: Capital Growth Company, S. A.
Apartado 7-1460
San José, Costa Rica

PLEASE PRINT

NAME _____

ADDRESS _____

_____

_____

_____

Dear Sirs:

Please send the bearer certificates relating to Plan Number FG 121 to the address I have inserted above.

Very truly yours,

Signature _____ Plan holder I

Name (PRINT) _____ Plan holder I

Signature _____ Plan holder II

Name (PRINT) _____ Plan holder II

CAPITAL GROWTH COMPANY, S. A.
STATEMENT OF ASSETS AND LIABILITIES

Quoted stocks and bonds at market value	5,295,562.50
Unquoted stocks at estimated fair value	5,515,000.00
Amount due from brokers	2,745,339.51
Accrued interest receivable	27,499.37
Cash at bank	6,750,000.00
Time deposits	674,172.89
	7,424,172.89
Property in Costa Rica	
Santa Elena Estate	4,782,219.00
Chambacú	423,281.00
Chira Island	63,276.00
	5,268,776.00
Property in Pensacola, Florida	
Cabana Bayfront	719,300,00
Property in Puerto Rico	
Lagoon Marine	1,189,048.00
Notes Receivable	1,600,000.00
Interest at 9% per annum	
Interest for two months	24,000.00
TOTAL ASSETS	29,8[illegible]3,698.27
Less:	
Amount due to brokers and commissions payable	62,117.41
Liabilities on Costa Rican Properties	
Santa Elena Estate	164,250.00
Chambacú	265,238.00
	429,488.00
Liabilities on Pensacola, Florida Property	
Cabana Bayfront	439,831.00
Notes Payable	1,195,984.00
Management shares surrendered for purchase of Santa Elena Estate	1,200,000.00
Debenture Liabilities	554,093.85
Accrued expenses	160,200.23
TOTAL LIABILITIES	4,041,714.49
NET ASSETS	$ 25,766,983.78
Represented by: 6,584,836 shares issued	
being equivalent to a net asset value of	$3.91 per share

CAPITAL GROWTH COMPANY, S. A.
ASSETS

QUOTED STOCK AND BONDS			
Allied Maintenance	18,600	36 1/4	674,250.00
Canadian International Power	20,000	22 3/4	455,000.00
Crown Cork and Seal	20,000	19	380,000.00
Flagg Industries	10,000	12	120,000.00
La Maur	115,000	13 7/8	1,595,625.00
Loews Corporation	15,000	49 1/4	738,750.00
Monroe Auto Equipment	3,300	71 5/8	236,362.50
Penn Fruit Company	10,000	15 3/8	153,750.00
Tandy Corporation	20,000	32 7/8	657,500.00
Unioamericana	10,200	27 7/8	284,325.00
TOTAL QUOTED STOCK AND BONDS			5,295,562.50
UNQUOTED STOCKS			
Ecological Sciences	5,000	3	15,000.00
EHG Enterprises	200,000	11 1/2	2,300,000.00
Sociedad San Cristobal	2,000,000	1.60	3,200,000.00
TOTAL UNQUOTED STOCKS			5,515,000.00

P. O. Box 1065,
NASSAU, N. P.

Lt. Col. Dallas L, Knoll, Jr.,
117 Washington Road,
WEST POINT, New York.

VIA AIR MAIL

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— [THIS EXHIBIT IS BEING REPRODUCED IN THE FORM IN WHICH IT WAS RECEIVED. SOME OF THE CONTENTS ARE INELIGIBLE]

BAHAMA ISLANDS

New Providence.

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T H I S D E E D made the Nineteenth day of September A.D., 1969 B E T W E E N NEW PROVIDENCE SECURITIES LIMITED a company incorporated under the laws of the Bahama Islands and having its registered office in the City of Nassau in the Island of New Providence (hereinafter called "the Company") of the first part ARAWAK TRUST COMPANY LIMITED a company incorporated under the laws of the Bahama Islands and having its registered office in the said City of Nassau (hereinafter called "the Trustee" which expression where the context so permits shall include any successor trustee) of the second part AND the registered holders from time to time of shares in CAPITAL GROWTH FUND (hereinafter called "the Shareholders") of the third part.

W H E R E A S :-

(A) By a Deed dated the 24th day of July A.D. 1961 between the Company of the one part and The Chase Manhattan Trust Corporation Limited of the other part as Trustee (hereinafter referred to as "the Principal Deed") the Company created the trust then known as The First Bahamas Investment Trust and now by virtue of a Deed of Amendment dated the 1st day of June A.D. 1966 known as Capital Growth Fund.

(B) By a Deed of Appointment dated the 10th day of September A.D. 1968 the Trustee was appointed Trustee of The First Bahamas Investment Trust in place of the Chase Manhattan Trust Corporation Limited which Company resigned in accordance with the terms of the Principal Deed.

(C) Clause 11.1 of the Principal Deed provided that if at any time it was the opinion of the Trustee and the Company that the Trust might be administered more advantageously to the Shareholders or for any other reason provided the interests of the Shareholders should not be adversely affected thereby the Principal Deed might be amended to provide for such advantage and by the various Deeds set out in the Schedule hereto the Principal Deed has accordingly from time to time been amended.

(D) It has been agreed between the Company and the Trustee that in the interests of clarity and ease of reference this Deed should be entered into as a Deed consolidating and replacing the Principal Deed and the said Deeds set out in the Schedule as from the date hereof.

NOW THIS DEED W I T N E S E T H as follows:-

1. 1. The following words or expressions shall where the context so admits have the meanings respectively assigned to them hereunder: -

"The Trust" means Capital Growth Fund established by the Principal Deed.

"The Trust Property" means all the assets for the time being held or deemed to be held upon the trusts of this Deed.

"Share" means one undivided share in the Trust as ascertained under the provisions of this Deed.

"Shareholder" means the registered holder for the time being of a Certificate and includes persons jointly registered.

"Certificate" and "Certificates" means a share certificate or certificates issued by the Trustee under the provisions of this Deed.

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"Year" means calendar year.

"The Trustee" means Arawak Trust Company Limited and includes its successors as Trustees and in respect of the vesting of investments includes any nominee of the Trustee..

"Investment" means any investment authorized by this Deed and includes any share stock bond debenture debenture stock or other security.

Words importing the singular include the plural, words importing persons include corporations and the words "written" or "in writing" include printing, engraving, lithography or other means of visible reproduction.

THE TRUST PROPERTY AND THE SHARES THEREIN

2. The trust property shall consist of the consideration received and receivable for the issue or sale of shares together with all income earnings and proceeds thereof in whatever form the same shall be from time to time.

3. Certificates for shares signed on behalf of the Company by the President or a Vice-President or the Secretary thereof shall be in substantially the following form together with appropriate blanks and instructions for transfer and with such additional or modified provisions not inconsistent with this Deed as may from time to time be agreed upon by the Company and the Trustee :

No. Shares.

CAPITAL GROWTH FUND

This certifies that .....

is the owner of .....

in Capital Growth Fund constituted by a Trust Deed dated the day of 1969 between New Providence Securities Limited a company incorporated under the laws of the Bah

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Bahamas, Arawak Trust Company Limited and the Registered Holders from time to time of shares of Capital Growth Fund, which deed is open to inspection by any registered shareholder at the office of the Trustee during business hours. A copy of the deed will be furnished by the Company to any registered shareholder upon request. Reference is hereby made to the deed for the terms and conditions thereof, by which the shareholder agrees, by becoming such shareholder, to be bound.

Shares represented by this certificate are transferable on the books of the Trustee by the owner thereof in person or by his duly authorised attorney upon surrender of this certificate properly endorsed.

The owner of this certificate is entitled to one vote for each share represented thereby.

This certificate is not valid until signed by the duly authorised officer or officers of New Providence Securities Limited and authenticated by the duly authorised officer or officers of Arawak Trust Company Limited, Trustee.

Dated at Nassau, Bahamas _____

NEW PROVIDENCE SECURITIES LIMITED

By _____
Authorised Officer

Registered and authenticated:

ARAWAK TRUST COMPANY LIMITED, Trustee

By _____
Authorised Officer.

1. 4. Shares of the trust may be created and certificated therefor issued in the following manner :-

Each of the first shares of the Trust created under this Deed shall have an initial value determined by the Company which shall be equal to the amount paid into

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the trust upon the creation of each share divided by the number of shares created. The Company shall procure the execute each certificate in the name of the person to whom the certificate is to be issued and shall submit the same to the Trustee for tender. In the case of the creation of all shares, except the first, the amount due the trust shall be equal to the value as determined by the Trustee accordance with the provisions of paragraph 3 hereof, of the same number of then outstanding shares of the trust as is represented by such certificate as of the last close of business.

In the event that any future law order or regulation of any legislative or other body having jurisdiction shall provide for any procedure for the pricing (estimated or actual) of shares on issuances which differs from the foregoing the procedure provided by such law order or regulation shall take the place of the procedure hereinabove set forth for the pricing of shar on issuance without any amendment to this Deed. A copy of any such law order or regulation shall be filed by the Company with the Trustee.

5. The Trustee upon receipt of a certificate shal register in its books kept for that purpose the name of the person to whom the certificate is to be issued, shall authenticate the certificate by the signature of the Managing Director, a Member of the Executive Committee, or the Secretary of the Trustee and shall then tender the same to the purchaser for payment as promptly as the ordinary course of busines permits. Any expenses incident to the tender for payment shall be paid by the Company.

The amount due the trust shall be set up as an accounts receivable asset of the trust and shall until paid. In the event that payment is not

tender to the purchaser, the Trustee shall buy certificate and the accounts receivable could be set up.

1. 6. The Company and the Trustee may with the consent of the person to whom a certificate would have otherwise been issued, cause the name of such person to be registered in the books of the Trustee kept for the purpose of recording the names of the shareholders with the same effect as if a certificate has been prepared executed registered and authenticated as herein provided.

1. 7. In the event that a certificate issued as herein provided shall be mutilated destroyed or lost if the shareholder shall furnish to the Trustee evidence satisfactory to it of such mutilation destruction or loss together with indemnity satisfactory to it then the Company may execute and the Trustee may authenticate and deliver a new certificate for the same number of shares. Upon surrender of a certificate or certificates for shares of the trust to the Trustee any shareholder shall be entitled to receive a greater or lesser number of new certificates representing in the aggregate the same number of shares of the trust as those surrendered. Provided that one share or any fraction thereof may not be divided. Upon surrender of any certificate properly endorsed for transfer by the shareholder or his attorney duly authorized and upon reasonable proof of identity (if the Trustee shall request such proof) the applicant shall be entitled to the registration of the transfer and the issue of a new certificate. The applicant shall pay the reasonable charges and expenses and any applicable taxes in connection with the issue of new certificates under this paragraph. The Trustee shall cancel any certificate surrendered under this paragraph and such certificate shall not be reissued.

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1. 8. Temporary certificates in form substantially similar to that set forth in paragraph 1.3. hereof with appropriate changes to indicate that such certificates are temporary certificates may be issued hereunder and may thereafter upon such terms as the Trustee may determine be surrendered in exchange for certificates.

1. 9. The shares of the trust may be subdivided at any time and from time to time by agreement between the Trustee and the Company.

INVESTMENT OF THE TRUST PROPERTY.

2. 1. The trust property shall be invested in shares of "open end" investment companies or trusts the funds of which may be invested in or upon any investment of whatsoever nature and wheresoever situate whether or not producing income and the Investment Adviser of which must be registered with the Securities Exchange Commission of the United States of America or in United States Treasury Bills or shall be held in United States currency.

2. 2. The Trustee may subject as hereinafter provided borrow and/or raise money in any manner and on any terms and/or borrow securities and/or operate a margin account for the purpose of investment for the benefit of the trust.

2. 3. It shall be the duty of the Company and the Company alone to direct the purchase sale and borrowing of securities for the trust, arrange for and direct the borrowing and/or raising of money for investment using the assets of the trust as collateral in such amounts as the Company shall deem advisable within the limits as prescribed in paragraph 2.4. hereof. The interest on such loans shall be paid from the income or assets of the trust. The Company shall not benefit in any way from such interest payments (but the Trustee shall not be required to inquire whether the Company does so benefit).

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2. 4. The Trustee is authorized by the Company to hypothecate, pledge, mortgage or charge securities held by the trust to create more investment capital but the aggregate value of money and securities borrowed or raised shall not at any time exceed Seventy (70) per centum of the gross value of the trust property. The Trustee shall upon direction by the Company make available as collateral any investments held by the trust.

2. 5. The Trustee may not without approval of the holders of a majority of the shares:

(a) borrow or raise any money and/or securities except for the purpose stated in paragraph 1.4. hereof or as a temporary measure for extraordinary or emergency purposes; or

(b) lend any money to any person or entity except as herein provided; or

(c) purchase the shares which are in the opinion of the Trustee shares of any "open end" investment company or trust whose management has been in operation less than Three (3) years including the operation of predecessor companies.

2. 6. Orders for the purchase and sale of investments for the trust shall be placed by the Company as purchasing agent for the Trustee but the Company shall in no event have any right to receive the investments so ordered. The Company shall instruct the vendor to it of investments to deliver purchased investments to the Trustee and to accept delivery of investments sold from the Trustee upon payment and shall immediately furnish the Trustee with copies of all such orders as well as confirmations. In the instance of the purchase of an investment the Trustee shall upon delivery of the investment pay all sums due in respect thereof (including brokerage and taxes) from the cash in the trust. In case of a sale the Trustee shall deliver

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against purchase thereof investments from the trust property which have been sold.

2. 7. The Company shall be entitled to receive the brokerage commission on the purchase of investments in "open end" investment companies or trusts in lieu of charging a sales commission on the shares of the trust. In any event the Company shall attempt to keep such commissions on the lowest scale possible consistent with good business practice.

2. 8. Whenever under any of the provisions of this Deed sums become payable from the trust property and there is not sufficient cash in the trust to permit such payment the Trustee shall notify the Company of such insufficiency and the Company shall promptly cause investments to be sold to provide cash with which to make such payment. In default of such direction the Trustee may make such sales in its absolute discretion.

2. 9. The trust property other than such investments as may be hypothecated, pledged, mortgaged or charged under the provisions of paragraph 2.8. hereof shall be kept by the Trustee or by a correspondent Bank of the Trustee all charges or fees paid to the Trustee's correspondent Bank being charged against the trust property.

2. 10. The trust shall operate as a non- resident trust for Exchange Control purposes under the laws of the Bahama Islands and all accounts shall be maintained in United States currency.

2. 11. In the event that any future law order or regulation of any legislative or other body having jurisdiction shall restrict in any way the use of trust funds the Trustee (if subject to the operation of such law order or regulation) shall cease to be Trustee and a new Trustee shall be appointed by the Company subject to the approval of the holders of a majority of the shares within Ninety (90) days of such appointment.

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3. The value of a share (except the initial value of a first share) on any day shall be determined by the Trustee at the beginning of business on the business day next following. Investments held by the Trustee shall be valued by taking the last bid prices at the close of business. The Trustee may determine the prices from any generally accepted source of information or where such source is not available from the best information available to it. Accrued interest shall be added where not included in the sales or other price. Dividends declared but not received shall be added in respect of securities quoted ex-dividend.There shall also be added all cash, accounts receivable for shares created and uncollected and any other assets of the trust . There shall be deducted from such assets any amounts payable for surrendered shares,accrued expenses,interest,loan principal,taxes, reserved for contingencies and any other liabilities. The value of a share shall be ascertained by dividing the total net value of the trust property by the number of shares outstanding to the nearest cent.

DIVIDENDS AND DISTRIBUTION OF GAINS

4. 1. The Trustee shall not pay dividends or distribute realised capital gains to shareholders unless the Company deems it to be in the best interests of the trust or if required by any law order or regulation so to do in which case such dividends or distributions may be paid or made as follows:-

Such dividends or distributions shall be held in cash until the close of business on the last day of December of each and every year and shall remain part of the trust property until that date at which time they shall be paid to the shareholders entitled thereto [illegible]

of the Trustee in the Gateway following. The Company shall if necessary direct sufficient investments to be sold to provide cash with which to make such payments or distributions. In default of such direction the Trustee may make such sales of investments as in its absolute discretion it may deem fit.

LIQUIDATION OF SHARES

5. 1. Upon the surrender to the Trustee of a certificate for shares of the trust by the owner thereof or his attorney duly authorised and upon reasonable proof of identity (if the Trustee shall request such proof) the Trustee shall take in cash from the trust property and charge the trust with the value of such shares as determined at the next close of business following surrender as provided in paragraph 3 hereof. The Trustee shall pay the same to the shareholder or his said attorney within five (5) business days after determination of the value of the shares as aforesaid. If the amount of cash in the trust is insufficient (exclusive of funds held apart for distribution) to cover the charge (exclusive of the value of that portion of distributable funds allocable to the shares requested thereby) the Company shall direct the sale of sufficient investments to provide such cash. In default of such direction the Trustee may make such sales in its absolute discretion.

5. 2. In the event of the surrender of a certificate within Ninety (90) days of the creation thereof the Company may at its discretion direct the Trustee to access a charge of Three (3) per centum of the liquidating value of such shares and deduct the same from the payment to the shareholder or his attorney as a reasonable expense to cover the cost of creation and liquidation of such shares. Two-thirds of the amount deducted shall be

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to the Company and the [illegible] shall be retained by the Trustee.

5. 3. If by reason of any trading restrictions imposed by any authority having jurisdiction over trading on the New York Stock Exchange it is impossible prior to the next determination of value of shares to dispose of sufficient investments to meet the liquidation charge for a surrendered certificate then the liquidating value of such certificate shall be that which is first determined after sufficient investments have been sold to meet such charge.

5. 4. In addition to the foregoing methods of liquidation and in order to facilitate liquidation at values as near as reasonably possible prevailing at the time of any shareholder's determination to liquidate his shares the Trustee may liquidate shares in the same manner as though certificates had been surrendered to it on advice from banks or other institutions approved by the Trustee that certificates for shares have been deposited with such banks or institutions with a request for liquidation. The Trustee may also liquidate shares in any other manner as may be agreed upon with the Company provided that no shareholders' interest in the trust property shall thereby be prejudiced.

5. 5. The trust shall terminate in its entirety :-

(a) When all shares have been liquidated in accordance with the provisions of this Deed.

(b) If the Shareholders at any time by a vote of the holders of Sixty Seven (67) per centum of the shares taken at an Extraordinary General Meeting resolve that the trust shall be wound up when the assets of the trust have been realised and the proceeds of such assets and their income distributed as if and so far as the resolution [illegible]

have been distributed in accordance with the provisions of the other (if any) clauses of the Trust of all the assets have been distributed.

5. 6. Notwithstanding the provisions of the Trustee Act or of any other law whatsoever in force in Bahama Islands the Trustee shall not be entitled to appoint a successor trustee but may apply to the Supreme Court of the said Bahama Islands to appoint a successor trustee. The Trustee may terminate the trust if within Ninety (90) days after application for the appointment of a successor trustee made to the Supreme Court of the said Bahama Islands or any other Court having jurisdiction such Court shall not have appointed a successor trustee hereof the qualifications set forth in paragraph 8.2. hereof. Provided however that at least Ninety (90) days prior to such application the Trustee shall have notified the Company of its intention to make the same.

5. 7. Upon any termination of the trust the Trustee shall liquidate the trust property and distribute the assets of the trust to the shareholders thereof pro rata after deducting taxes and any other charges and expenses hereunder. The Trustee shall have a reasonable time after termination within which to complete such liquidation.

Fees and Expenses

6. 1. The Trustee shall be entitled to such compensation for its services hereunder as may be agreed from time to time between the Trustee and the Company. On each business day as of the close of business and as of each day other than a business day the Trustee shall accrue against and deduct from the value of the trust property the Trustee's fee not theretofore accrued and charged. Such accrual shall be subject to a final determination by the Trustee of the amount of its fee on or as of the [illegible] day of each month and shall be made by the Trustee.

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on the first business day following.

The Trustee shall be entitled to reimbursement for all out of pocket expenses reasonably incurred by it hereunder and to the extent that such reimbursement is not otherwise provided for shall be entitled to reimburse itself therefor from the trust property.

6. 2. On each business day as of the close of business and in respect of each day other than a business day the Trustee shall accrue against and deduct from the value of the trust property an investment management fee at a rate not to exceed one (1) per centum per annum of the gross value of the trust property including all securities and cash held by the trust and without regard to any indebtedness other than fees due to the Company or the Trustee, out of pocket expenses and interest due but not paid. The daily percentage shall be computed on the value of the trust property determined as of the close of business on each day, and as to days other than business days, as provided in paragraph 3 hereof except as specifically provided for in paragraph 6.1. hereof. The fees so allocated shall be paid by the Trustee to the Company on the first business day following the last day of each month out of the trust property.

6. 3. Interest due on money borrowed by the trust for investment and other purposes as well as the loan principal shall be paid by the Trustee on the date such interest and principal is due or prior to that time the direction of the Company. Should there be insufficient cash in the trust property to make such payments the Company shall direct the sale of sufficient investments to provide such cash. In default of such direction the Trustee may make such sales in its absolute discretion.

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TAXES

7. 1. All taxes (including, without in any way limiting the generality of the foregoing, transfer taxes, if any, upon the purchase of investments) except such as in the opinion of the Trustee should be paid direct by the Shareholders, shall be paid from the trust property or from reserves set up therefor but if such taxes be incident to a payment to a shareholder they may be deducted from such payment. If at any time there is or may be in the opinion of the Trustee any tax liability in respect of the trust property or in respect of any payment to any shareholder or in respect of any distributable funds it may take or withhold from the trust property or from such payment or from distributable funds and charge against the trust property an amount which shall in its opinion be sufficient to cover such liability and shall hold the same separate and apart from the trust property. Upon the final determination of such liability the decision of the Trustee as to the disposition of any balances and as to the rights of any shareholder therein shall be conclusive but neither the Trustee nor the Company shall make any profit thereby.

THE TRUSTEE

8. 1. The Trustee accepts the trust and agrees to carry out the same in accordance with the terms and provisions of this Deed.

8. 2. The Trustee may resign its office by giving to the Company three (3) months notice in writing of its intention so to do whereupon the Company shall appoint a new trustee which new trustee shall be a company [illegible] with a paid up capital of not less than one hundred thousand pounds (£100,000).

8. 3. Any bank or trust company into which the Trustee may be merged or with which [illegible] any bank or trust company [illegible]

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consideration to which [illegible]
be the endeavour of the Trustee.

3. 4. The Trustee shall allow interest on any cash held by it hereunder at rates currently paid by it upon trusts of similar character and such interest if any shall be an accretion to the trust property.

3. 5. The Trustee shall have the power to do all acts that all proceedings and exercise all such rights and privileges relating to any property at any time held by it as Trustee as could be done taken or exercised by the absolute owner thereof except as expressly restricted herein. The Trustee shall have no lien on the trust property except for deduction expressly authorized herein. The Trustee shall not lend, pledge, charge, mortgage or hypothecate any security or property held by it hereunder except as provided for in paragraph 1.4. and 1.5. hereof. The Trustee may hold securities in bearer form and may register securities in its own name or in the name of nominee. The Trustee shall act as it may be directed by the Company and in the absence of such direction in its absolute discretion in respect of reorganisations, consolidations or mergers of any company, corporation or other organisation the securities of which it holds; in respect of the deposit of securities with any custodian and the taking and holding of certificates of deposit therefor; in respect of stock dividends, rights, subdivisions and the treatment thereof as income or capital; in respect of any other change in capitalization; and in respect of the giving of proxies for voting in respect of any security held as part of the trust property. The Trustee may create make and issue Debentures, Debenture Stock, Bonds, Promissory Notes and other obligations or instruments negotiable or transferable or otherwise, in the exercise of its powers under paragraph 1

3. 6. The name and address of each shareholder and the number of shares owned by him shall be registered by the Trustee and the Trustee may refuse such person the person absolutely entitled to such shares and sh

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neither be obliged to recognize nor be affected by any notice of any trust or mortgage or charge, express, implied or constructive, to which any shares or the certificate therefore may be subject provided that not more than Four (4) persons may be registered as the joint holders of any certificate.

8. 7. The Trustee shall not assume or incur any liability if for any cause not within its reasonable control it shall be in any way hindered prevented or restrained from doing or performing any act or thing which it is required to do or perform hereunder nor shall it be liable for any action taken or omitted by it in good faith or for any such action taken or omitted in accordance with the opinion of Counsel upon a question of law or for acting upon any document or advices believed by it to be genuine. The Trustee may employ Counsel, agents, or attorneys in fact and shall not be answerable for the misconduct thereof if selected with reasonable care. The Trustee shall in no event be personally liable for any taxes or other governmental charges in respect of the trust property or in respect of the income or profits therefrom. The allocation of a charge upon the trust property to the assets of the trust upon a basis believed by the Trustee to be fair and equitable shall be final and conclusive.

9. 8. At any time the Trustee may take such action as it in good faith may believe to be required or desirable for the benefit of the trust property. In any such event it may employ solicitors, attorneys or counsel who may be solicitors, attorneys or counsel for the Company and the reasonable expenses incurred thereby shall be a charge on and shall be paid from the trust property.

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6. 9. In any judicial proceeding to determine questions hereunder or arising in respect of the trust property the shareholders shall be deemed to be duly represented by the Trustee for all purposes if the Trustee shall be a party to the proceedings.

6. 10. No shareholder and no legal representative of any deceased or incompetent shareholder shall have the right to take any action or proceeding for the partition or winding-up of the trust. No such shareholder or representative shall have the right to an accounting except upon furnishing indemnity satisfactory to the Trustee against the costs and expenses thereof such indemnity to be payable unless it shall be established that the Trustee has been guilty of fraud or of misfeasance or of gross negligence with respect to the performance of duties specifically imposed upon it hereunder substantially prejudicial to shareholders.

MEETINGS AND VOTING

6. 1. The first Annual General Meeting of shareholders shall be held on the 24th day of August 1982 at two o'clock in the afternoon at the offices of the Trustee for the purpose of approving the continuance of the services of the Company until the Annual General Meeting to be held in 19 83.

6. 2. Subsequent Annual General Meetings shall be held in each and every year thereafter on the second Monday in June at two o'clock in the afternoon at the offices of the Trustee. The business of such meetings shall be to receive and consider the accounts and to appoint auditors for the ensuing year and may include any other business specified by the Trustee.

6. 3. The Trustee may whenever it thinks fit [illegible] shall upon requisition [illegible] holding in the aggregate [illegible]

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of the registered shares entitled to vote at any General Meeting at a time and place to be determined by the Trustee.

9. 4. At any General Meeting each shareholder shall be entitled to one vote for each share held by him Provided that in respect of shares registered in the names of joint holders the person whose name first appears on the certificate shall be deemed the person entitled to vote.

9. 5. A shareholder may cast his vote in person or by proxy or by a signed ballot posted to the Trustee at its address from time to time.

9. 6. Five shareholders or shareholders holding in the aggregate Five (5) per centum of the shares being present in person or by proxy or voting by ballot shall constitute a quorum.

9. 7. A Chairman nominated by the Trustee ad hoc shall preside at every General Meeting.

9. 8. At every Annual General Meeting the shareholders shall, inter alia, choose or ratify the selection by the Company of independent Chartered Accountants or Certified Public Accountants to audit the accounts of the trust and to hold office until the next Annual General Meeting unless such auditors shall earlier resign or be replaced by the Company. Until the Annual General Meeting of the Company in 1988 the auditors shall be Messrs. Andrew & Pingland, Chartered Accountants of the City of Nassau.

9. 9. Notice of every General Meeting stating the time and place at which and the purpose or purposes for which the meeting is to be held shall be given to every shareholder by the Trustee by posting to the shareholder at his registered address not less than Forty (40) and not more than Ninety (90) days prior to the meeting a copy of the notice a form of proxy and a list of ballot

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Such notice shall be deemed to have been served twenty four (24) hours after the letter containing the same shall have been posted to the shareholder at his registered address and non-receipt by a shareholder of any notice shall not invalidate the proceedings taken at any meeting.

8. 10. If at the time fixed for any meeting a quorum is not present or represented as provided herein such meeting shall be adjourned by the Trustee from time to time until a quorum is so present or represented.

8. 11. All expenses connected with the printing and posting of notices shall be paid by the Trustee and charged to the trust as out of pocket expenses.

THE COMPANY

10. 1. The services of the Company shall continue in effect until the Annual General Meeting in 1988 and so long thereafter as the continuance of such services is specifically approved at the Annual General Meeting in every third year after 1988 . The shareholders may, however, at any time by a vote of the holders of Sixtyseven (67) per centum of the shares taken at an Extraordinary General Meeting terminate the services of the Company upon Sixty (60) days' written notice to it. The services of the Company in any event shall terminate should it assign its rights hereunder.

10. 2. If the shareholders fail to approve the continuance of the services of the Company or if the services of the Company are terminated for any reason as provided in paragraph 10.1. hereof the Trustee shall then employ independent investment counsel, whether a corporation firm or individual, to perform the duties of the Company in respect of investment management in accordance with the provisions of Clause 7 hereof shall compensate such counsel from the trust property and shall itself perform all other duties of the Company

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of them in connection with the [illegible] and shall include reasonable compensation therefor in the fees as provided in paragraph 5.1. hereof. The Agreement between the Trustee and any such independent investment counsel shall be in writing and shall (a) precisely describe all compensation to be paid thereunder; (b) continue in effect for a period of more than Two (2) years from the date of its execution only so long as such continuance is specifically approved at Annual General Meetings; (c) provide in substance that it may be terminated at any time without the payment of any penalty in the same manner in which the services of the Company may be terminated hereunder; and (d) provide in substance for its termination in any event on an assignment of the rights of such investment counsel thereunder.

10. 3. In the event that more than one half of the directors of the Company should resign die or be removed during any consecutive period of twelve months the Company shall advise the shareholders and shall promptly thereafter call a meeting of its own members for the purpose of electing a new Board or approving the selection of the new members of the Board if such vacancies have been filled..

10. 4. No officer or director of the Company shall deal for or on behalf of the trust property with himself as principal or agent or with any corporation or partnership in which he has a financial interest but such prohibition shall not be deemed to prevent:

(a) any officer or director of the Company from purchasing (at the price available to the public at the time of such purchase) holding or disposing of shares of the trust;

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(b) the purchase or sale of securities for the trust fund as a security dealer, one or more of whose partners, officers or directors is an officer or director of the Company, provided such transactions are carried out in the capacity of broker only and provided commissions charged do not exceed customary brokerage charges for such service; or

(c) the employment of any legal or other adviser, registrar, transfer agent, dividend disbursing agent, or custodian or trustee having a partner, officer or director who is an officer or director of the Company, provided only customary fees are charged for services rendered to or for the benefit of the trust property.

GENERAL

11. 1. If at any time the provisions of this Deed fail, in the opinion of legal counsel selected by the Company or its successor investment counsel mentioned in paragraph 10.2. hereof and acceptable to the Trustee, to meet the requirements of any law or any rules or regulations or if at any time it is the opinion of the Trustee and the Company or its successor investment counsel as aforesaid that the trust may be administered more advantageously to the shareholders or for any other reason provided the interests of shareholders shall not be adversely affected thereby this Deed may be amended to meet such requirements or to provide for such advantage. In the event that such an amendment is made the Trustee shall notify each shareholder by letter addressed to his registered address of the intention to amend the Deed setting forth the details of the amendment and the reasons therefor and such amendment shall take effect on the Twentieth day after the mailing of such notice.

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11. 2. The Trustee shall post to shareholders annually and more frequently at the discretion of the Company a report which shall contain the financial statements of the trust.

11. 3. In the proposed execution of the trusts and powers hereof the Trustee shall not be liable for any loss to the trust property arising by reason of any improper investment or purchase or borrowing made in good faith or for the negligence or fraud of any agent employed by it, although the employment of such agent was not strictly necessary or expedient, or by reason of any mistake or omission made in good faith or by reason of any matter or thing whatsoever except wilful fraud or wrong doing on the part of the Trustee sought to be made liable. The Trustee shall not incur any liability or be in any way responsible for any loss which may be incurred as a result of anything done or not done as a result of directions given or purporting to have been given by the Company or by independent investment counsel employed by the Trustee under the powers contained in Clause 10 sub-clause 4 hereof (whether in writing or by cablegram or orally or by telephone) or for any omission to take any action in the absence or non-receipt of such directions or for failing to seek directions from the Company or such independent investment counsel.

11. 4. The term "business day" as used herein shall mean any day on which the New York Stock Exchange is to be open and " close of business " shall mean close of business on the New York Stock [illegible] If for any reason the New York Stock Exchange is closed for an extraordinary length of time [illegible] the Trustee may establish [illegible] day and a [illegible] time for "close of business" [illegible]

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it in its absolute discretion may determine. Except as provided in paragraphs 6.2. and 6. 2. where any day is named in this Deed and it shall not be a business day then it shall be deemed to be the business day next following.

In the event that any business day as defined herein is a public holiday on which the Trustee is not open for business the duties of the Trustee hereunder which would otherwise be performed on such day shall be performed on the business day next following.

11. 5. Subject to change by the Trustee the fiscal year shall end on the last day of April in each year.

11. 6. This Deed and all rights hereunder and under the certificates shall be governed by the Laws of the said Bahama Islands for the time being in force.

11. 7. This Deed consolidates the Principal Deed and the Deeds set out in the Schedule hereto amending the Principal Deed and shall take effect as from the date hereof in substitution for and in cancellation of the Principal Deed and the Deeds set out in the Schedule which shall be of no further effect but without prejudice to any acts done or rights or liabilities arising prior to the date hereof under the terms of the Principal Deed as amended.

THE SCHEDULE OF DEEDS hereinbefore referred to.

Date.	Parties
13th September AD.1988	New Providence Securities Limited (1) Arawak Trust Company Limited (2)
1st June AD 1993	- ditto -
11th September AD 1997	- ditto -
1st March AD 1998	- ditto -
15th August AD 1999	- ditto -
27th March AD 2000	- ditto -

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[illegible] has caused [illegible] to be hereunto affixed.

[illegible]
Assistant Secretary

THE COMMON SEAL of THE [illegible] CORPORATION LIMITED was affixed hereto by JAMES R. MILLAR of the said Company and the said JAMES R. MILLAR affixed his signature hereto on the 17th day of DECEMBER A.D., 1968 in the presence of:- R.R. PARKINSON

[illegible]
Director

IN WITNESS WHEREOF the Trustee has caused its Common Seal to be hereunto affixed.

[illegible]
Director

[illegible]
Director

THE COMMON SEAL of THE [illegible] TRUST COMPANY LIMITED was affixed hereto by Robert Percy Rankin a Director of the said Company and the said Robert Percy Rankin and James D. Cockwell [illegible] Director of the said Company subscribed their [illegible] hereto on the 22nd day of September A.D., 1968 in the presence of:-

[illegible]

E-109

DATED [illegible]

NEW PROVIDENCE SECURITIES LIMITED

-and-

ARAWAK TRUST COMPANY LIMITED

CONSOLIDATING DEED

CONSTITUTING CAPITAL GROWTH FUND

TRUSS SAUNDERS & CO.

2 SERJEANTS INN

LONDON E.C.4.

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A F F I D A V I T

COMMONWEALTH OF THE BAHAMA ISLANDS)
)ss.
New Providence)

This day personally appeared before me RALPH (otherwise Raphael) DAVID SELIGMAN, who being duly cautioned and sworn deposes and says:

1. I am Counsel and Attorney of the Supreme Court of the Commonwealth of the Bahamas at present practising in partnership with Mr. C.R. Julian Maynard at the Butler & Sands Building, Bay Street in the City of Nassau under the style of "Seligman, Maynard & Co."

2. True details of my professional biography are set forth in Volume IV of the 1974 Edition of Martindale Hubbell Law Directory at page 3465 B.

3. I have been requested by the Securities & Exchange Commission of Washington D.C. ("the S.E.C.") to prepare a Memorandum of my knowledge of certain matters pertaining to my clients Arawak Trust Company Limited and Capital Growth Fund, The Second Bahamas Investment Trust and a Mr. Clovis McAlpin.

4. Attached to this affidavit is the said Memorandum which, upon information and belief, I deem to contain a true, correct, and accurate statement upon the subject matter set forth therein.

5. I make this affidavit voluntarily and with the authority of my clients with the objects of assisting and facilitating the S.E.C.'s investigation into the aforesaid matters and notwithstanding that my clients are advised

(i) that they are under no legal obligation whatsoever to furnish such information to the S.E.C. and (ii) that

the S.E.C. has no jurisdiction over my clients in this matter or any jurisdiction extending to the territory of the Commonwealth of the Bahamas.

Dated at Nassau, Bahamas, this 30th day of July 1974.

R. D. Selygman

SWORN TO AND SUBSCRIBED before me,
this 30th day of July 1974.

Marvin Groeneweg

Marvin Groeneweg
American Consul

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SELIGMAN, MAYNARD & CO.
COUNSEL AND ATTORNEYS
NOTARIES PUBLIC
RALPH D. SELIGMAN
M.A., LL.B., (T.C.D.)
J. JULIAN MAYNARD
326 BAY STREET
PLEASE REPLY TO:
P. O. BOX N 7526
NASSAU, BAHAMAS
TELEPHONES:
28[illegible] - 2895.
CABLES: "AVCO[illegible]"

MEMORANDUM OF RALPH D. SELIGMAN

RE: ARAWAK TRUST COMPANY LIMITED & CAPITAL GROWTH FUND

From Jan. 1967 to Jan. 1972 I practised in partnership with Sir Guy Henderson under the style of Henderson & Seligman. Sir Guy was the Chairman of Arawak Trust Company Limited and in general handled the legal business connected with Arawak.

Occasionally I was called into consultation either by Sir Guy or Mr. Pringle, the Managing Director, in relation to specific matters.

In October 1970 Arawak informed me they had given notice to New Providence Securities Limited (hereinafter called 'the Company') the Management Company of Capital Growth Fund and of The Second Bahamas Investment Trust Limited of their intention to resign as Trustee of those Funds as of 15th January 1971 and asked me to advise them of their position if, by 15th January 1971, the Company had not appointed a new successor Trustee. I advised them in those circumstances, that Section 25 of the Trustee Act provides that whenever it is found inexpedient, difficult or impracticable to appoint a new Trustee, the Supreme Court of the Bahamas has jurisdiction to do so. I further advised that it would therefore be proper to apply to the Court if any difficulty should arise in the appointment of a new Trustee.

In the course of subsequent further discussions with Arawak ~~in the course of which~~ I went into the matter in more detail, I advised that the provisions of the main Trust Deed dated 19th September 1969 under clause 8.2 thereof placed the obligation on the Company and only on the Company to appoint a new Trustee upon Arawak's resignation and that such new Trustee had to be a corporation with a paid up capital of not less than £100,000.

There was a further provision in the Trust Deed viz. Clause 5.6 that Arawak as Trustee was not entitled to appoint a Successor Trustee notwithstanding any of the provisions of

...2

the Trustee Act and could apply to the Court for such appointment.

In all these circumstances it was clear that Arawak's appointment as Trustee was on the basis as publicised in the Trust Deed that Successor Trustees were to be appointed by the Company and in default of such appointment by the Court and that Arawak had neither the power to appoint a new Trustee nor the responsibility to do so.

In the course of these discussions Mr. Pringle briefly informed me of the reasons leading up to Arawak's decision to resign as Trustees. I understood that Price Waterhouse & Co., the Auditors of the Funds were not satisfied with Mr. McAlpin's operation of the Company and had decided to resign. I also understood that because of Price Waterhouse's refusal to certify certain figures, Arawak were having difficulties in valuing the assets of the Funds and in these circumstances had decided to resign.

Meanwhile in December 1970 I was asked to advise on an investment which Arawak had been instructed to make by Mr. McAlpin on behalf of New Providence Securities Limited.

Under clause 2.3 of the Trust Deed the Company had the sole control of investments.

So far as I can recall Arawak were directed to invest in a company called E.H.G. which was not a quoted company.

I advised Arawak that since clause 8.8 of the Deed entitled Arawak as Trustee to take such action as it in good faith might be required or desirable for the benefit of the trust property that Arawak would be entitled, if it had reason to suspect that the investment might not be for the benefit of the trust property, to refuse to carry out instructions to make such investment.

As a result of my advice, Arawak refused to carry out the instructions and on 10th or 11th December 1970 a New York lawyer came down to Nassau and I recall spending an entire day arguing the matter with him. He stated he represented the company in which the investment was to be made and that the company would suffer grave losses if the investment were not made and that Arawak would be sued by this company.

...3

I told the lawyer to go ahead and sue if he wished and that the proceedings would be strenuously defended.

(I have only recently learned that the company may in fact have effectuated this investment by circumventing Arawak in some way).

McAlpin was duly notified of Arawak's intention to apply to the Court and I understand that he informed Arawak that if any application was made that this would be detrimental to the interests of the fund as it would cause a run of redemptions and that Arawak would be sued by him for substantial damages.

Accordingly, in order to protect my clients interests, I caused a Summons to be issued on 18th January 1971 to be heard by Mr. Justice H. C. Smith in Chambers.

The Affidavit of Mr. Pringle sworn on the 18th January 1971 and grounding the Summons exhibited all the Trust Deeds and all relevant correspondence between Arawak and the company.

I understand that on 22nd January 1971 a meeting took place at the Bahamas Monetary Authority with Mr. T. Baswell Donaldson, the Acting Manager, Mr. Pringle, Mr. Cropper a senior partner of Price Waterhouse and Mr. McAlpin in which Mr. Cropper and Mr. Pringle told Mr. Donaldson of their dissatisfaction with Mr. McAlpin and of their resignations. Mr. Donaldson was also informed of the pending Court proceedings.

At the first hearing on 26th January 1971 I drew the specific attention of the Court to the provisions of Clauses 5.6 and 8.2 of the Deed of Trust and I also drew the attention of the Court to the provisions of clause 8.9 of the Deed which provides that in any judicial proceeding the shareholders shall be deemed to be duly represented by the Trustee for all purposes and the Trustee shall be a party to the proceedings.

I pointed out to the Court that the Trustee could not appoint a Successor Trustee and I asked the Court to do so.

Mr. Godfrey Kelly, who appeared with Mr. McAlpin stated that his clients were in touch with a Bahamian Trust company which was prepared to accept the Trust subject

...4

to audited accounts - that these accounts had only just come to hand on Friday 22nd January and that his clients expected within the next 30 days to have a Trustee to be appointed for the settlements.

He stated that his clients would have preferred the Court not to appoint a new Trustee but that the appointment should be made by his clients.

He also objected to the fact that I had not notified his clients at least 90 days prior to the application to the Court as provided by clause 5.6 of the Deed.

The Judge asked Mr. Kelly if he was making an issue of this point and what Mr. Kelly required the Court to do and Mr. Kelly replied that he would prefer the motion to be adjourned for 30 days. The matter was accordingly adjourned to 25th February.

On 27th January 1971 Mr. McAlpin wrote a letter to Arawak and Arawak were exceedingly concerned with the threat contained in the last paragraph of that letter to sue not only Arawak for "losses of considerable magnitude" but also the implied threat to sue Arawak's sponsors.

Accordingly, I advised Arawak that the only course they could adopt in their own protection was to ask the Court to take over the administration of the Trust and to this effect a new Summons was issued on 22nd February requesting administration by the Court and an Affidavit was filed by Mr. Pringle on 23rd February 1971 exhibiting Mr. McAlpin's letter of 27th January 1971 and my reply thereto dated 8th February 1971 in which I refuted McAlpin's allegations.

On 25th February 1971 I attended Court and read Mr. Pringle's Affidavit and cited authority (Chetwynds Settlement 1902 1 Chancery pg. 692) to show that the Court had authority to take over the administration of the Trust.

Mr. McAlpin was present in Court with Mr. Godfrey Kelly's partner Mr. Newton Higgs.

Mr. Higgs stated that the prospective Trustee that Mr. McAlpin had been in touch with as mentioned to the Court on 26th January was now out of the picture and that Mr. McAlpin was in touch with other prospective Trustees

and he pointed out that Mr. McAlpin's company had both the right and the intention to appoint new Trustees. He asked for an adjournment to 19th March 1971. The Judge pointed out that if Mr. McAlpin had reason to complain that I had made any misstatements to the Court on 26th January 1971 that they should have been countered there and then.

The matter was adjourned to 19th March 1971 with liberty to me to apply to the Court for immediate administration in the event of any proceedings being taken against my clients.

On 19th March 1971 I again attended Court and on this occasion Mr. McAlpin appeared with Mr. Eugene Dupuch Q.C. instructed by Messrs. Higgs & Kelly.

I re-stated my complaints about the unfounded allegations of Mr. McAlpin in his letter of 27th January 1971 and asked that any release of Arawak as Trustee should be accompanied by a complete Indemnity against proceedings by McAlpin.

Mr. Dupuch pointed out that it was not within the province of the Court to order an Indemnity.

Mr. Dupuch further formally withdrew the letter of 27th January 1971 and stated that his clients had found a new Trustee, Banco Anglo Costarricense, a Bank of the highest integrity and he pointed out that his clients had the right to appoint a new Trustee under the terms of the Deed without reference to anybody else.

Mr. Dupuch then drew the attention of the Court to the fact that the license issued by the Ministry of Finance to Capital Growth Fund contained a condition that the Government should be informed before the making of any change in the Trusteeship and he asked for an adjournment to enable his clients to inform the Government and the matter was adjourned until Friday 2nd April 1971.

In view of allegations which I understand have been made implying that Arawak made its application to the Court in the knowledge that a foreign Trustee was going to be appointed and sought the protection of a Court Order to insulate its alleged responsibilities

in the matter I feel it important to emphasize that it was on this 3rd hearing before the Court on 19th March that the suggestion of a foreign Trustee was made for the first time.

Furthermore, it was clearly pointed out to the Court by McAlpin that the appointment of a new Trustee was no concern of Arawak's and that the major point was whether or not the Bahamas Government would object to any nominated new Trustee.

Mr. Godfrey Kelly subsequently sent me copy of a letter dated 19th March 1971 sent by him to the Permanent Secretary, Ministry of Finance copy of which is annexed hereto.

The hearing of 2nd April was adjourned to 7th April and then 14th April and the Court being informed that the Government had raised no objection to the Costa Rican Bank, it approved its appointment as new Trustee and made an Order accordingly.

I note that the copy Order in my possession is dated 7th April 1971 but there is a note on my file that Mr. Kelly had raised the point with me that the Order should have been dated 14th April 1971 and I believe that he may have had his copy of the Order changed.

I understand that complaints have been made that Arawak acquiesced in the making of this Order in disregard of its obligations towards the shareholders whom it technically represented before the Court and that Arawak should have objected to the making of such an Order on the grounds that the proposed new Trustee had not been properly investigated.

In all the circumstances of this matter it is difficult to comprehend how it could be suggested that Arawak had this responsibility because if it had, then so had the Judge and also the Minister of Finance.

In Arawak's case, the greatest of emphasis had been placed on the fact that McAlpin had the sole right and responsibility to appoint a new Trustee and could do so whether Arawak liked it or not. At all events, there was no evidence in my possession to justify the making of an

objection on behalf of the shareholders.

On 3rd May 1971, without any prior reference whatsoever to Arawak, Mr. Godfrey Kelly made an ex-parte application to the Court and apparently the Court was informed that the Costa Rican Bank was not in a position to accept the Trust but that a company called Sion Plaza S.A. which had been recommended was prepared to accept the Trust and apparently the Court ordered that Sion Plaza should be the new Trustee as appears from copy of the Order annexed hereto which was served on me.

Here again, any complaint against Arawak that they disregarded the interests of the shareholders in accepting this Order without making some move to object to it is baseless. Arawak was confronted with a fait accompli and could have made no move to upset it (i) because the Court had approved it, (ii) the Bahamas Government raised no objection to Sion Plaza, S.A., (iii) Arawak had no prior knowledge even of the existence of Sion Plaza S.A. and certainly no evidence in its possession or procurement to put before the Court to show that Sion Plaza S.A. was not suitable (iv) the Court had full jurisdiction to appoint any Trustee it wished and whether it possessed the £100,000 capitalisation qualification or not (v) in these circumstances even the lodgment of a formal objection might well have been taken as an insult to the intelligence of the Judge and (vi) any such action would undoubtedly have resulted in proceedings claiming heavy damages by McAlpin who had made it clear he would sue Arawak and its sponsors if he had the slightest excuse to do so.

I can say that the situation of Arawak's possible responsibilities towards the shareholders was raised with me at that time and that I bona fide advised them that such responsibility in the circumstances lay upon the shoulders of the Court (and, to some extent, the Bahamas Monetary Authority) and that the Order of the Court concluded the matter.

A complaint has also been made that all Counsel concerned in these Court proceedings may have either misled or deceived the Court in this matter.

So far as I am concerned I put all facts and relevant documents before the Court and I cannot see how it could be even suggested that the Court was deceived or misled by me.

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So far as Messrs. Dupuch, Higgs & Kelly are concerned it is quite clear that they were acting under instructions and from my knowledge of them as colleagues it would be inconceivable that they would have been given any information about the two Costa Rican Corporations and that such information would have been withheld from the Court.

It is very easy to say with hindsight that what actually happened could and should have been prevented by all parties concerned but it would in my view be much more accurate to say that what actually happened resulted in a combination of circumstances which were unfortunate, but from which McAlpin obviously took the fullest advantage.

It only remains for me to add that from a purely legal point of view the suggestion that a Foreign Trustee should not have been appointed because of being foreign is negatived by the fact that this was a non-resident Trust in that all the beneficiaries (with the possible exception of one or two individuals) were non-residents of the Bahamas).

Dated this 1st day of May 1974.

R. D. Seligman

R. D. SELIGMAN,
Chambers,
Nassau, Bahamas.

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HIGGS & KELLY
COUNSEL AND ATTORNEYS-AT-LAW
324 Bay Street
P. O. Box 1113
NASSAU, BAHAMAS

SIR KENNETH SOLOMON, Q.C. (1905-1964)

R. NEWTON HIGGS
HON. GODFREY K. KELLY, M.A., LL.B. (CANTAB)
ASSOCIATE
OWEN O. LEARY

TELEPHONES 5-3280 · 5-4884
CABLE ADDRESS: HIKEL, NASSAU

19th March, 1971.

ONLY COPY AVAILABLE

The Permanent Secretary,
Ministry of Finance,
Nassau, Bahamas.

Dear Sir:- CAPITAL GROWTH FUND and THE SECOND BAHAMAS INVESTMENT TRUST.

We act for the above mentioned Fund and Trust.

Arawak Trust Company Limited are Trustees of Eight Settlements of which New Providence Securities Limited are the Settlors. The principal duties of Arawak Trust Company Limited as Trustees under the respective provisions of the said Eight Settlements are to act as Custodian of the assets of the Eight Unit Trusts established by the said Settlements. Each of the said Eight Settlements respectively contains a provision entitling the Trustee thereof to resign upon the giving of three months' notice in writing. On the 16th October, 1970 Arawak Trust Company Limited sent letters to New Providence Securities Limited exercising their rights to resign as Trustees as aforesaid.

New Providence Securities Limited have now found a Company in Costa Rica which is prepared to undertake the duties of Trustee. The name and address of the Company is as follows:-

Banco Anglo Costarricense
San Jose, Costa Rica.

This matter is being dealt with in Chambers in Nassau by Mr. Justice Hedworth Cunningham Smith in Action No.29 of 1971. The proceedings have been adjourned to Friday, the 2nd April at 2.30 p.m. at which time it is expected that the Court will agree to the appointment of the new Trustee.

On the 6th April, 1966 the Ministry of Finance

issued Licences to the above-mentioned Fund and Trust. One of the conditions on which these two Licences were granted was that the Government should be informed before any change is made in the Trustee, and therefore the purpose of this letter is to inform you of the proposed change in this respect.

Yours faithfully,

HIGGS & KELLY

Per Godfrey K. Kelly

Godfrey K. Kelly.

c.c. Hon. Eugene Dupuch
Ralph Seligman, Esq.
George Dunkley, Esq.

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COMMONWEALTH OF THE BAHAMAS 1971

SUPREME COURT No.29

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Equity Side

IN THE MATTER OF THE TRUSTS OF A SETTLEMENT
DATED THE 24TH JULY 1962 AND
OF A SETTLEMENT DATED THE 7TH JANUARY 1965

AND IN THE MATTER OF THE TRUSTEE ACT 1893 Cap.78

BETWEEN ARAWAK TRUST COMPANY LIMITED

Plaintiffs

- and -

NEW PROVIDENCE SECURITIES LIMITED

Defendants

O R D E R

Upon hearing the Honourable Godfrey K. Kelly of Counsel for the Defendants IT IS HEREBY ORDERED that the Order of this Court in this Action made on the 7th day of April A.D. 1971 be amended by deleting the name "BANCO ANGLO COSTARRICENSE" wherever it appears in the said Order and substituting therefor the name "SION PLAZA S.A."

Dated the Third day of May A.D. 1971.

BY ORDER OF THE COURT

E-123

COMMONWEALTH OF THE BAHAMAS

SUPREME COURT

Equity Side

IN THE MATTER OF THE TRUSTS OF A SETTLEMENT DATED THE 24TH JULY 1962 AND OF A SETTLEMENT DATED THE 7TH JANUARY 1965

AND IN THE MATTER OF THE TRUSTEE ACT 1893 Cap. 78

BETWEEN ARAWAK TRUST COMPANY LIMITED

Plaintiffs

- and -

NEW PROVIDENCE SECURITIES LIMITED

Defendants

ONLY COPY AVAILABLE

ORDER

1971

No.29

HENDERSON & SELIGMAN
Chambers,
326 Bay Street,

DENTE DE LA REPUBLICA
DE COSTA RICA

E-124

[THIS EXHIBIT IS BEING REPRODUCED IN THE FORM IN WHICH IT WAS RECEIVED. SOME OF THE CONTENTS ARE INELIGIBLE]

San José, Costa Rica
April 30, 1971

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The Honorable
Justice Hedworth Cunningham Smith
Nassau, Bahamas

Dear Mr. Justice:

The Government of Costa Rica was informed that ARAWAK TRUST COMPANY, LTD has resigned as Trustee of the Capital Growth Fund and for this reason it has become necessary for New Providence Securities Ltd to appoint a New Trustee.

With knowledge of this, the Government of Costa Rica asked Mr. C.W. McAlpin, President of New Providence Securities Ltd, to appoint one of the Banks of our National Banking System as Trustee of Capital Growth Fund.

Upon exhaustive study of the law of Costa Rica, however, the appointed Bank, Banco Anglo Costarricense, arrived the conclusion that they cannot act under the Trust until legislation now pending in the National Assembly.

There is no legal objection to investment companies, financial institutions or corporations, but the National Bank cannot act as trustee prior to the passage of this legislation.

For this reason, the Government of Costa Rica requests appointment of Sion Plaza S.A. as Trustee of the Capital Growth Fund in the place of Banco Anglo Costarricense. This corporation is well established. President Dr. Rodrigo Soto Quesada is most respected in Costa Rica, [illegible] and as a leader of social responsibility. He is also Director of several major companies.

Please accept my appreciation [illegible]

Sincerely,

José [illegible]
President

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...
...
...

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THE COMMONWEALTH OF
PUERTO RICO

100

E. H. C. ENGINEERS, INC.

N. H. BURKE

$1.00

200,000

E-127

Capital Growth Company S.A. Investment in E.H.G. Enterprises Agreement between J.H. Burke + Ariel E. Gutiérrez	September 1972	W.P. NO.	III. 1
		ACCOUNTANT	E. Golcher
		DATE	

September 14, 1972

A/30
4/4/73

Mr. Ariel E. Gutierrez,
C/o EHG Enterprises, Inc.,
San Juan, Puetto Rico.

Dear Mr. Gutierrez,

On the date hereof, the undersigned J. H. Burke ("Seller") is selling to you ("Buyer") 200,000 shares of Common Stock, par value $1. per share, ("the Stock") of EHG Enterprises, Inc. ("EHG") a Puerto Rico Corporation and Buyer is delivering to Seller the sum of $1,000,000 plus commission.

Seller hereby agrees with Buyer as follows:

1. Seller hereby represents and warrants to Buyer as follows:

   (a) Seller has good and marketable title to the Stock and seller owns the Stock free and clear of any security interest, claims, restrictions, liens or encumbrances:

   (b) Seller has full legal right, power and authority to sell, assign, transfer and deliver the Stock to Buyer and, upon delivery of and payment for the Stock, Buyer will acquire good and marketable title to the Stock free and clear of any security interest, claims, restrictions, liens or encumbrances.

2. Seller has been advised by the Buyer of the facts set forth below and with full knowledge of such facts Seller is selling to Buyer the 200,000 shares of Common Stock of EHG.:

Buyer is the President and a substantial stockholder of EHG. EHG is presently negociating for the sale of in excess of $9,000,000 principal amount of subordinated debentures of EHG. Such debentures would mature in fifteen years and would bear interest at the rate of approximately 8% per annum. Such debentures would provide for certain mandatory prepayments commencing in the sixth year. In connection with such purchase EHG would issue warrants to purchase in excess of 300,000 shares of common stock of EHG exercisable over a substantial period of years at $10 per share.

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Capital Growth Company S.A.		W.P. NO.	822.
vestment in E.H.G. Enterprises		ACCOUNTANT	E. Galche
reement between J.H. Burke +	Sept 30, 1972	DATE	
el E. Gutiérrez			

In connection with the foregoing, EHG is also negotiating for a related sale of in excess of $2,000,000 of Preferred Stock of EHG. Such Preferred Stock, which would bear a 5% dividend, would be convertible on a share-for-share basis into Common Stock of EHG.

A loan is being arranged to purchase the Stock and in connection therewith the lender may be granted an option by the Buyer to acquire a substantial number of the shares fo Common Stock of EHG being acquired from Seller on the date hereof. Such option, which would expise in approximately three years, would be exercisable at approximately $6.50 per share.

There would also be certain rights to cause the registration of the shares of Common Stock of EHG referred to above under the United States Securities Act of 1933.

The undersigned has been furnished with financial statements of EHG at January 31, 1972, The undersigned is aware that by reason of various transactions since that date the financial condition and results of operations of EHG are presently better than as one might assume from an examination of the January 31, 1972 financial statements.

Very truly yours,

J. H. Burke

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September 17, 1972

Mr. Ariel E. Gutierrez,
c/o EHG Enterprises, Inc.,
San Juan,
Puerto Rico.

Dear Mr. Gutierrez,

On the date hereof, the undersigned Mr. J. H. Burke ("Seller") is selling to you ("Buyer") 200,000 shares of Common Stock, par value $1. per share, ("the Stock") of EHG Enterprises, Inc. ("EHG") a Puerto Rico Corporation, and Buyer is delivering to Seller an aggregate of $1,300,000.

Seller hereby agrees with Buyer as follows:

1. Seller hereby represents and warrants to Buyer as follows:

   (a) Seller has good marketable title to the Stock and Seller owns the stock free and clear of any security interest, claims, restrictions, liens or encumbrances:

   (b) Seller has full legal right, power and authority to sell, assign, transfer and deliver the Stock to Buyer and, upon delivery of and payment for the Stock, Buyer will acquire good and marketable title to the Stock free and clear of any security interest, claims, restrictions, liens or encumbrances.

2. Seller has been advised by Buyer of the facts set forth below and with full knowledge of such facts Seller is selling to Buyer the 200,000 Shares of Common Stock of EHG:

   Buyer is the President and a substantial stockholder of EHG. EHG is presently negotiating for the sale of in excess of $9,000,000 principal amount of subordinated debentures of EHG. Such debentures would mature in fifteen years and would bear interest at the rate of approximately 8% per annum. Such debentures would provide for certain mandatory prepayments commencing in the sixth year. In connection with such purchase EHG would issue warrants to purchase in excess of 300,000 shares of Common Stock of EHG exercisable over a substantial period of years at $10 per share.

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In connection with the foregoing, EHG is also negotiating for a related sale of in excess of $2,500,000 of Preferred Stock of EHG. Such Preferred Stock, which would bear a 5% dividend, would be convertible on a share-for-share basis into [illegible] Stock of EHG.

A loan is being arranged to purchase the Stock [illegible] and the Lender may be granted an option by the Buyer to acquire a [illegible] of the shares of EHG Common Stock of EHG being acquired from Seller on the date hereof. Such option, which would expire in approximately three years, would be exercisable at approximately $6.50 per share.

There would also be certain rights to cause the registration of the shares of Common Stock of EHG referred to above under the United States Securities Act of 1933.

The undersigned has been furnished with financial statements of EHG at January 31, 1972. The undersigned are aware that by reason of various transactions since that date the financial condition and results of operations of EHG are presently better than as one might assure from an examination of the January 31, 1972 financial statements.

Very Truly Yours,

J. H. Burke

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INVESTMENT ADVISORY AGREEMENT

THIS AGREEMENT made as of the 16th day of April, 1971 by and between NEW PROVIDENCE SECURITIES LIMITED, a corporation organized and existing under the laws of the Bahama Islands and maintaining its registered office in the island of New Providence (hereinafter referred to as the "Company"), and SHEFFIELD ADVISORY COMPANY, a limited partnership organized and existing under the laws of the State of New York and maintaining its principal place of business in New York, New York (hereinafter referred to as the "Advisor").

W I T N E S S E T H :

WHEREAS, the Company is party to a Trust Deed dated September 11, 1967, as amended from time to time (hereinafter referred to as the "Trust Agreement"), with Arawak Trust Company Limited, a corporation organized and existing under the laws of the Bahama Islands (hereinafter referred to as the "Trustee") and the registered holders from time to time of shares in Professional Investors Fund (hereinafter referred to as the "Trust") created by the Trust Agreement; and

WHEREAS, pursuant to the Trust Agreement the Company undertakes to direct the investment and reinvestment of the assets of the Trust; and

WHEREAS, the Trust Agreement contemplates that the Company employ an investment adviser to advise the Company from time to time with respect to the investment and reinvestment of the assets of the Trust; and

WHEREAS, the Company desires to employ Advisor to serve as the investment adviser to the Company under the terms and conditions hereinafter set forth; and

WHEREAS, Advisor is willing to serve in such capacity;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

FIRST: Advisor shall, during the term of this Agreement, render advice to the Company on a continuous basis with respect to the purchase and sale of securities for the account of the Trust, and shall render the services required hereunder to the best of its ability. In order to enable Advisor to furnish such advice, the Company shall cause Advisor to be informed, at the commencement of the duties of Advisor hereunder, of the nature and amount of the assets of the Trust and undertakes further to cause Advisor to be informed from time to time thereafter of any and all transactions effecting changes in the nature and amount of such assets. The advice of Advisor to the Company shall be based on such research and inquiries as Advisor shall deem advisable.

SECOND: In carrying out its obligations hereunder, Advisor shall (1) evaluate pertinent information about significant technical developments, and economic, statistical and financial data, domestic and foreign or otherwise, whether affecting the United States economy generally or the portfolio of the Trust specifically, and whether concerning the individual companies whose securities are included in the portfolio of the Trust or

the industries in which they engage, or with respect to securities which Advisor considers desirable for inclusion in the portfolio of the Trust; and (2) regularly advise the Company as to what industries and companies should, in its opinion, be represented in the portfolio of the Trust as well as to the desirability of purchasing and selling securities on behalf of the Trust.

THIRD: Advisor is authorized with the specific consent of the Company, to act in the fulfillment of all or any of its obligations to the Company under this Agreement, through any agent acting on behalf of Advisor.

FOURTH: In furnishing its advice hereunder and until Advisor is in receipt of written instructions from the Company to the contrary, Advisor shall be guided by the following policies established by the Company:

1. No more than 25% of the total assets of the Trust are to be invested in the equity securities of any one company at the time of purchase;

2. No more than 40% of the total assets of the Trust are to be invested in the equity securities of any two companies at the time of purchase;

3. Subject to the exceptions set forth in paragraphs 1 and 2 above, no more than 11% of the total assets of the Trust are to be invested in the equity securities of any

additional company, at the time of purchase; and

4. The objective of the Company in directing the investment and reinvestment of the assets of the Trust is to be maximum equity appreciation without regard to income or portfolio turnover considerations.

For the purpose of this paragraph FOURTH, "equity securities" shall include any securities convertible into stock or equity securities.

FIFTH: All investment advice furnished by Advisor hereunder shall be transmitted to an officer of the Company at its address at P. O. Box 1065, Nassau, Bahamas or One Mount Street, London W 1, England, by such means as the Company deems appropriate.

SIXTH: Advisor will not be liable for any loss sustained by the Company, the Trustee, the Trust or the Trust's shareholders by reason of the adoption of any investment policy, the purchase, sale or retention of any security, or the failure to purchase, sell or retain any security, unless such loss results from willful misfeasance, bad faith or gross negligence on the part of Advisor in the preformance of its duties hereunder or from its reckless disregard of its obligations under this Agreement.

SEVENTH: The Company will not approve or authorize or permit the use or distribution in connection with the offering or sale of the Trust's securities or otherwise of any literature or advertisement in any form, in which Advisor

is named or referred to, unless, not less than ten days prior to the giving of such approval, authorization or permission by the Company, such literature or advertisement is submitted to and is received by Advisor, and Advisor, within such ten days, either specifically approves or fails to disapprove such literature or advertisement. Nothing in this paragraph shall be construed to mean or imply that Advisor shall be in any way responsible for the completeness, accuracy, preparation or content of any such literature or advertisement.

EIGHTH: For so long as this Agreement remains in effect, the Advisor shall not, without the prior consent of the Company thereto, perform any advisory or management services for any other person or entity with respect to investments in securities.

NINTH: In full compensation for its services hereunder, the Company shall pay to Advisor an annual fee equal to 1/2 of 1% of the average net asset value of the Trust. The foregoing fee shall be computed and accrued daily (including Saturdays, Sundays and Holidays) at the rate of 1/365 of 1/2 of 1% of the daily net asset value of the Trust, and shall be paid to Advisor monthly, ten days after the end of each calendar month. The daily net asset value of the Trust on Saturday, Sunday and Holidays shall be equal to the net asset value as of the preceding business day.

All payment by the Company to Advisor hereunder shall be made in United States funds available in New York, New York.

TENTH: The Company agrees that while this Agreement remains in effect, it will furnish to the Advisor all the bookkeeping services required in connection with the performance of the Advisor's duties hereunder, and the Advisor agrees that it will pay the Company an amount or $ 700.00 per month for the furnishing of such services.

ELEVENTH: This Agreement shall become effective at the opening of business on April 16, 1971, or at such later date as may be mutually agreed to by the parties, and shall remain in force and effect until April 15, 1972, and thereafter shall run from year to year; provided, however, that this Agreement may be terminated at any time after April 15, 1972 by the Company or by Advisor on 30 days' written notice to the other party, and provided further, that this Agreement may be terminated at any time upon five days' notice by Advisor to the Company if in the judgment of Advisor any aspect of the operations of the Company or the Trust or of its own or any agent's necessary activities in relation thereto may not be fully in accord with all applicable laws. Any notice provided for herein may be waived by the party entitled to receive such notice.

TWELFTH: Fiduciary Trust Company, New York, New York has been appointed by the Company to act as custodian of moneys and securities of the Trust. One or more other banks, brokers, or other entities may be appointed by the Company to act as custodian of moneys and securities of the Trust. Advisor shall accept and operate within the terms of the Company's current arrangements with Fiduciary Trust Company and all other reasonable arrangements made by the Company in this respect hereafter. Securities of the Trust will be

maintained in the name of any custodian or nominee of a custodian or in the name of any broker, as directed by the Company, and will, if so instructed by the Company, be maintained in the name of the Trust. Copies of writings reflecting such other arrangements and such directions and instructions shall be furnished Advisor by the Company promptly after their issuance.

THIRTEENTH: All notices shall be in writing and shall be deemed to have been duly given if delivered personally or if mailed by registered mail, postage prepaid, to the following respective addresses until a different address is specified in writing by a party to the other party:

To the Company:

New Providence Securities Limited
P. O. Box 1065
Nassau, N.P., Bahama Islands

To Advisor:

Sheffield Advisory Company
11 Broadway
New York, New York

Attention of Sanford C. Shultes, Managing Director

FOURTEENTH: Except to the extent permitted under the last sentence of Article THIRD hereof, this Agreement shall not be assignable by either party hereto and, in the event of an attempted assignment, it shall terminate.

FIFTEENTH: This Agreement supersedes all prior agreements relating to the subject hereof previously entered into by the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in triplicate on the

day and year first above written.

NEW PROVIDENCE SECURITIES
LIMITED

By _____

SHEFFIELD ADVISORY COMPANY

By _____
Managing Director

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INVESTMENT ADVISORY AGREEMENT

THIS AGREEMENT made as of the 4th day of August 1972 by and between NEW PROVIDENCE SECURITIES LIMITED, S. A., a corporation organized and existing under the laws of the Republic of Panama (hereinafter referred to as the "Company"), and SHEFFIELD ADVISORY COMPANY, S. A., a corporation organized and existing under the laws of the Republic of Panama (hereinafter referred to as the "Advisor").

WITNESSETH:

WHEREAS, the Company is party to an Agreement dated August 4th 1972 (hereinafter referred to as the "Management Agreement") with Capital Growth Company, S. A., a corporation organized and existing under the laws of the Republic of Panama (hereinafter referred to as "Capital Growth"): and

WHEREAS, pursuant to the Management Agreement the Company undertakes to direct the investment and reinvestment of the assets of Capital Growth: and

WHEREAS, the Management Agreement contemplates that the Company employ an investment adviser to advise the Company from time to time with respect to the investment and reinvestment of the assets of Capital Growth: and

WHEREAS, the Company desires to employ Advisor to serve as the investment adviser to the Company under the terms and conditions reinafter set forth: and

WHEREAS, Advisor is willing to serve in such capacity:

NOW, THEREFORE, in consideration of the mutual convenants herein contained, the parties hereto agree as follows:

FIRST: Advisor shall, during the term of this Agreement, render advice to the Company on a continuous basis with respect to the investment and reinvestment of the assets of Capital Growth, and shall render the services required hereunder to the best of its ability. In order to enable Advisor to furnish such advice, the Company shall cause Advisor to be informed, at the commencement of the duties of Advisor hereunder, of the nature and amount of the assets of Capital Growth and undertakes further to cause Advisor to be informed from time to time thereafter of any and all transactions effecting changes in the nature and amount of such assets. The advice of Advisor to the Company shall be based on such research and inquiries as Advisor shall deem advisable.

SECOND: In carrying out its obligation hereunder, Advisor shall (1) evaluate pertinent information about significant technical developments, and economic, statistical and financial data, domestic and foreign or otherwise, whether affecting the United States economy generally or the assets of Capital Growth specifically, and whether concerning individual companies whose securities are included in the portfolio of Capital Growth or the industries in which they engage, or with respect to securities or other assets which Advisor considers desirable for inclusion in the assets of Capital Growth: and (2) regularly advise the Company as to what investments should, in its opinion, be represented in the investment portfolio of Capital Growth as well as to the desirability of purchasing and selling securities on behalf of Capital Growth.

THIRD: Advisor is authorized, with the specific consent of the Company, to act in the fulfillment of all or any of its obligations to the Company under this Agreement, through any agent acting on behalf of Advisor.

FOURTH: All investment advice furnished by Advisor hereunder shall be transmitted to the Company or to such other person as may be designated from time to time by the Company, by such means as the Company deems appropriate.

FIFTH: Advisor will not be liable for any loss sustained by the Company, Capital Growth or Capital Growth's shareholders by reason of the adoption of any investment policy, the purchase, sale or retention of any asset, or the failure to purchase, sell or retain any asset, unless such loss results from willful misfeasance, bad faith or gross negligence on the part of Advisor in the performance of its duties hereunder or from its reckless disregard of its obligations under this Agreement.

SIXTH: For so long as this Agreement remains in effect, the Advisor shall not, without the prior consent of the Company thereto, perform any advisory or management services for any other person or entity with respect to investments in securities.

SEVENTH: In full compensation for its services hereunder, the Company shall pay to Advisor an annual fee equal to ½ of 1% of the average gross asset value (including borrowed monies) of Capital Growth. The foregoing fee shall be computed and accrued monthly (including Saturdays, Sundays, and Holidays) at the rate of 1/365th of ½ of 1% of the gross asset value of Capital Growth at the end of each month times the number of days in that month, and shall be paid to Advisor monthly, within ten days after the end of each calendar month. Gross asset value shall be the estimated market value of all assets of Capital Growth as determined from time to time by New Providence for New Providence's own fee calculation purposes. (e.g. a major ownership of a company may be carried at underlying book value for accounting purposes, whereas for fee purposes New Providence will determine its fair market value). Gross asset value for fee purposes shall include the average daily loan outstanding during the month (therefore the loan outstanding at the end of the month shall not be included).

EIGHTH: Advisor agrees that it will maintain books and records of all securities transactions for the account of Capital Growth in accordance with the procedures established from time to time after consultations with the auditors of Capital Growth.

NINTH: For so long as this Agreement remains in effect, Advisor will expend, at the Company's sole direction an amount not to exceed one-half of the above fees, without responsibility to the Advisor.

TENTH: Advisor has entered into a lease for the premises located at Room 501, 11 Broadway, New York, New York, at an annual rental of $3,408.00 expiring on April 30, 1973. The Company agrees to assume the remaining obligations of the Advisor under said lease in the event that this Agreement expires or is terminated by the Company at any time prior to the expiration of said lease.

ELEVENTH: This Agreement shall become effective at the opening of business on August 4, 1972 or at such later date as may be mutually agreed to by the parties, and shall remain in force and effect until October 15, 1973, and thereafter shall run from year to year; provided, however, that this Agreement may be terminated at any time by the Company or by Advisor on 30 days' written notice to the other party. Any notice provided for herein may be waived by the party entitled to receive such notice.

TWELFTH: One or more banks, brokers, or other entities may be appointed to act as custodian of monies and securities of Capital Growth. Advisor shall accept and operate within the terms of Capital Growth's arrangements with such banks, brokers, or other entities and all reasonable arrangements made by Capital Growth in this respect hereafter.

Securities of Capital Growth will be maintained in the name of any custodian or nominee of a custodian or in the name of any broker, as directed by the Company, and will, if so instructed by the Company, be maintained in the name of Capital Growth. Copies of writings reflecting such other arrangements and such directions and instructions shall be furnished Advisor by the Company promptly after their issuance.

THIRTEENTH: All notices shall be in writing and shall be deemed to have been duly given if delivered personally or if mailed by registered mail, postage prepaid, to the following respective addresses until a different address is specified in writing by a party to the other party:

To the Company:

New Providence Securities Limited, S. A.
P. O. Box 7-1460
San José, Costa Rica

To Advisor:

Sheffield Advisory Company S. A.
11 Broadway
New York, New York 10004
Attention of Sanford C. Shultes, President

FOURTEENTH: Except to the extent permitted under the last sentence of Article THIRD hereof, this Agreement shall not be assignable by either party hereto and, in the event of an attempted assignment, it shall terminate.

FIFTEENTH: This Agreement supersedes all prior agreements relating to the subject hereof previously entered into by the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in triplicate on the day and year first above written.

NEW PROVIDENCE SECURITIES LIMITED, S. A.

By _____
President

SHEFFIELD ADVISORY COMPANY, S. A.

By _____

E-142

SHEFFIELD ADVISORY COMPANY

April 16, 1971

Mr. C. W. McAlpin
c/o Capital Growth Services
One Mount Street
London W 1
England

Dear Mr. McAlpin:

The undersigned is proposing today to enter into an Investment Advisory Agreement ("Advisory Agreement") with New Providence Securities Limited ("New Providence"), of which you are the president and principal stockholder, pursuant to which the Advisor will undertake to advise New Providence with respect to the investment of the assets of Professional Investors Fund. In consideration of your inducing New Providence to enter into the Advisory Agreement, the undersigned confirms that it has agreed with you as follows:

1. For so long as the Agreement remains in effect, the undersigned will pay promptly to you or at your direction one-half of the fees received by it from New Providence pursuant to the terms of the Advisory

Agreement; provided, that with respect to the fees applicable to the first three months immediately following the effective date of the Advisory Agreement, such payment may be made in nine equal monthly installments commencing on the first day of the calendar month following full payment to the undersigned of the fees applicable to said three months. You have represented and warranted to the undersigned that all of the payments to be made to you or at your direction pursuant to the terms of this paragraph shall be paid to, or applied in full for the benefit, of New Providence.

2. The undersigned has entered into a lease for the premises located at Room 501, 11 Broadway, New York, New York, at an annual rental of $ 3,288 expiring on April 30, 1973. In order to induce the undersigned to enter into the Advisory Agreement, you have agreed to assume the remaining obligations of the undersigned under said lease in the event that the Advisory Agreement expires or is terminated by New Providence at any time prior to the expiration of said lease.

If the foregoing is in accordance with your understanding of the agreement between you and the undersigned, please signify your acceptance by signing at the

place indicated below and returning a copy of this letter to the undersigned.

Very truly yours,

SHEFFIELD ADVISORY COMPANY

By: _____
Managing Director

Agreed to on April
16, 1971

_____
C. W. McAlpin

INVESTMENT ADVISORY AGREEMENT

THIS AGREEMENT made as of the 17th day of May, 1971 by and between NEW PROVIDENCE SECURITIES LIMITED, a corporation organized and existing under the laws of the Bahama Islands and maintaining its registered office in the island of New Providence (hereinafter referred to as the "Company"), and SHEFFIELD ADVISORY COMPANY, a limited partnership organized and existing under the laws of the State of New York and maintaining its principal place of business in New York, New York (hereinafter referred to as the "Advisor").

W I T N E S S E T H :

WHEREAS, the Company is party to an Agreement dated May 8, 1971 (hereinafter referred to as the "Management Agreement") with Capital Growth Fund, S.A., a corporation organized and existing under the laws of the Republic of Costa Rica (hereinafter referred to as the "Fund"); and

WHEREAS, pursuant to the Management Agreement the Company undertakes to direct the investment and reinvestment of the assets of the Fund; and

WHEREAS, the Management Agreement contemplates that the Company employ an investment adviser to advise the Company from time to time with respect to the investment and reinvestment of the assets of the Fund; and

WHEREAS, the Company desires to employ Advisor to serve as the investment adviser to the Company under the terms and conditions hereinafter set forth; and

WHEREAS, Advisor is willing to serve in such capacity;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

FIRST: Advisor shall, during the term of this Agreement, render advice to the Company on a continuous basis with respect to the purchase and sale of securities for the account of the Fund, and shall render the services required hereunder to the best of its ability. In order to enable Advisor to furnish such advice, the Company shall cause Advisor to be informed, at the commencement of the duties of Advisor hereunder, of the nature and amount of the assets of the Fund and undertakes further to cause Advisor to be informed from time to time thereafter of any and all transactions effecting changes in the nature and amount of such assets. The advice of Advisor to the Company shall be based on such research and inquiries as Advisor shall deem advisable.

SECOND: In carrying out its obligations hereunder, Advisor shall (1) evaluate pertinent information about significant technical developments, and economic, statistical and financial data, domestic and foreign or otherwise, whether affecting the United States economy generally or the portfolio of the Fund specifically, and whether concerning the individual companies whose securities are included in the portfolio

of the Fund or the industries in which they engage, or with respect to securities which Advisor considers desirable for inclusion in the portfolio of the Fund; and (2) regularly advise the Company as to what industries and companies should, in its opinion, be represented in the portfolio of the Fund as well as the desirability of purchasing and selling securities on behalf of the Trust.

THIRD: Advisor is authorized, with the specific consent of the Company, to act in the fulfillment of all or any of its obligations to the Company under this Agreement, through any agent acting on behalf of Advisor.

FOURTH: All investment advice furnished by Advisor hereunder shall be transmitted to the Company or to such other person as may be designated from time to time by the Company, by such means as the Company deems appropriate.

FIFTH: Advisor will not be liable for any loss sustained by the Company, the Fund or the Fund's shareholders by reason of the adoption of any investment policy, the purchase, sale or retention of any security, or the failure to purchase, sell or retain any security, unless such loss results from willful misfeasance, bad faith or gross negligence on the part of Advisor in the performance of its duties hereunder or from its reckless disregard of its obligations under this Agreement.

SIXTH: The Company will not approve or authorize or permit the use or distribution in connection with the offering or sale of the Fund's securities or otherwise of any literature or advertisement in any form, in which Advisor is named or referred to, unless, not less

than ten days prior to the giving of such approval, authorization or permission by the Company, such literature or advertisement is submitted to and is received by Advisor, and Advisor, within such ten days, either specifically approves or fails to disapprove such literature or advertisement. Nothing in this paragraph shall be construed to mean or imply that Advisor shall be in any way responsible for the completeness, accuracy, preparation or content of any such literature or advertisement.

SEVENTH: For so long as this Agreement remains in effect, the Advisor shall not, without the prior consent of the Company thereto, perform any advisory or management services for any other person or entity with respect to investments in securities.

EIGHTH: In full compensation for its services hereunder, the Company shall pay to Advisor an annual fee equal to 1/2 of 1% of the average asset value (including borrowed monies) of the Fund. The foregoing fee shall be computed and accrued daily (including Saturdays, Sundays and Holidays) at the rate of 1/365 of 1/2 of 1% of the daily net asset value of the Fund, and shall be paid to Advisor monthly, within ten days after the end of each calendar month. The daily net asset value of the Fund on Saturday, Sunday and Holidays shall be equal to the net asset value as of the preceding business day.

All payment by the Company to Advisor hereunder shall be made in United States funds available in New York, New York.

NINTH: Advisor agrees that it will maintain books and records of all transactions for the account of the Fund in accordance with procedures established from time to time after consultations with the auditors of the Fund.

TENTH: This Agreement shall become effective at the opening of business on May 17, 1971, or at such later date as may be mutually agreed to by the parties, and shall remain in force and effect until March 31, 1972, and thereafter shall run from year to year; provided, however, that this Agreement may be terminated at any time after March 31, 1972 by the Company or by Advisor on 30 days' written notice to the other party, and provided further, that this Agreement may be terminated at any time upon five days' notice by Advisor to the Company if in the judgment of Advisor any aspect of the operations of the Company or the Fund or of its own or any agent's necessary activities in relation thereto may not be fully in accord with all applicable laws. Any notice provided for herein may be waived by the party entitled to receive such notice.

ELEVENTH: Fiduciary Trust Company, New York, New York has been appointed to act as custodian of monies and securities of the Fund. One or more other banks, brokers, or other entities may be appointed to act as custodian of monies and securities of the Fund. Advisor shall accept and operate within the terms of the Fund's current arrangements with Fiduciary Trust Company and all other reasonable arrangements made by the Fund in this respect hereafter. Securities of the Fund will be maintained in the name of any custodian or nominee of a

custodian or in the name of any broker, as directed by the Company, and will, if so instructed by the Company, be maintained in the name of the Fund. Copies of writings reflecting such other arrangements and such directions and instructions shall be furnished Advisor by the Company promptly after their issuance.

TWELFTH: All notices shall be in writing and shall be deemed to have been duly given if delivered personally or if mailed by registered mail, postage prepaid, to the following respective addresses until a different address is specified in writing by a party to the other party:

To the Company:

New Providence Securities Limited
P.O. Box 1065
Nassau, Bahamas

To Advisor:

Sheffield Advisory Company
11 Broadway
New York, New York
Attention of Sanford C. Shultes,
Managing Director

THIRTEENTH: Except to the extent permitted under the last sentence of Article THIRD hereof, this Agreement shall not be assignable by either party hereto and, in the event of an attempted assignment, it shall terminate.

FOURTEENTH: This Agreement supersedes all prior agreements relating to the subject hereof previously entered into by the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in triplicate on the

day and year first above written.

NEW PROVIDENCE SECURITIES
LIMITED

By _____
President

SHEFFIELD ADVISORY COMPANY

By _____
Managing Director

Divex Shultes 4 (or II)
1/15/73 AA

E-152

MEMORANDUM

May 9, 1971

To: File - Sheffield Advisory Company
Seward & Kissel

From: Sanford C. Shultes

Subject: Rebate to C. W. McAlpin of One-half of the Investment Adviosry fee received by Sheffield

In January, 1971, when Joseph D. Schwerin of Fiduciary and I met with Mr. McAlpin in Nassau to discuss the problems involving the financial difficulties of New Providence Securities Limited and the resignation of Capital Growth Fund's Trustee, Arawak Trust Company Limited, and Auditor, Price, Waterhouse and Co., Mr. McAlpin mentioned that he had personally guaranteed a loan taken out by New Providence Securities Limited. The amount of the loan is approximately $600,000., with interest commencing in October of 1970 at the rate annually of 15%. The purported lender is the Arabian Prince who is number three in line for the Saudi Arabian throne.

When I originally started discussing the possibility of becoming Investment Advisor to Capital Growth Fund, the fee mentioned was 1/4 of 1% of the gross assets of the Investment Portfolio. On signing the contract in April, 1971 the fee indicated was 1/2 of 1%, with a side letter between Mr. McAlpin and myself which indicates that 1/2 of this fee will be paid as Mr. McAlpin directs. He said at that time, and I believe, that the reasons for this payment being made are to help pay the interest on the above mentioned loan, and to keep it out of the New Providence Securities Limited books.

SCS/idi

Sanford C. Shultes

CAPITAL GROWTH COMPANY, S.A.
and
NEW PROVIDENCE SECURITIES, LTD. S.A. AND NEW PROVIDENCE SECURITIES (BAHAMAS) LIMITED AND SUBSIDIARIES

Financial Statements

September 30, 1971 and 1972

(With Accountants' Report Thereon)

PEAT, MARWICK, MITCHELL & CO.

PEAT, MARWICK, MITCHELL & CO.

APARTADO 775

SAN JOSE, COSTA RICA

ACCOUNTANTS' REPORT

The Boards of Directors
Capital Growth Company, S.A.:
New Providence Securities, Ltd., S.A.:

Scope of Examination

We have examined the financial statements of Capital Growth Company, S.A. as of and for the years ended September 30, 1971 and 1972 (Exhibits B-1 through B-8) and the financial statements of New Providence Securities, Ltd., S.A. and New Providence Securities (Bahamas) Limited and subsidiaries as of September 30, 1971 and the twenty-one months then ended and as of September 30, 1972 and the year then ended (Exhibits C-1 through C-5), all as listed in the accompanying table of contents following this report. We have not examined the financial statements of Capital Growth Fund and Capital Growth Real Estate Fund, Inc. as of and for the year ended September 30, 1970, nor the financial statements of New Providence Securities (Bahamas) Limited and subsidiaries as of and for the year ended December 31, 1969; such financial statements (restated in part as indicated in the accompanying notes to financial statements) are included in the accompanying financial statements for comparative purposes only. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances, except as indicated in the following paragraphs.

A. Valuation of Investments

1. The net assets of Capital Growth Fund have decreased from approximately $27,300,000 at September 30, 1970 (before giving effect to the acquisition of the net assets of Capital Growth Real Estate Fund, Inc. of approximately $300,000) to approximately $17,700,000 at September 30, 1971 and approximately $14,200,000 at September 30, 1972, the decrease of approximately $13,100,000 for the period consisting of losses from operations of approximately $7,000,000 and net redemptions of shares of approximately $6,100,000. As of the same dates, the percentage of net assets represented by investments in and advances to subsidiary and affiliated companies increased from 15% to 30% and then to 70%, respectively. We were unable to determine that any of the investments in subsidiary and affiliated companies at September 30, 1971 and 1972, as set forth in Exhibit B-6, are appropriately stated because of the following matters:

(a) Investments were purchased from affiliated companies and others at amounts that appear to have been completely arbitrary.

(b) Certain subsidiary and affiliated companies have had losses since acquisition and additional investments and advances have been necessary. Unless profitable operations are attained, it may be necessary to liquidate some or all of the investments in subsidiaries and affiliates at significant losses.

(c) The Chapernal Division, in which an additional $2,200,000 was invested during the six months ended March 31, 1973 (based on preliminary and incomplete unaudited data), is currently in the development stage.

(d) During the course of our examination of the financial statements of Sociedad Agricola Industrial San Cristobal, S.A., we were unable to satisfy ourselves as to the carrying value of $250,000 for a lumber contract, $230,000 for trademarks, $750,000 of deferred expenses relating mainly to banana plantations in the development stage, and the effect of San Cristobal's being in default under its loan agreements with International Investment Trust (Luxemburg) S.A. and Capital Growth Company, S.A.

(e) No audited financial statements were available with respect to certain investments related to E.H.G. Enterprises, Inc.

2. We were unable to satisfy ourselves regarding the market value of the investment in 115,000 and 87,200 shares of La Maur, Inc. as of September 30, 1971 and 1972, respectively (see note c to Exhibit B-8). Such holdings represented approximately 9% and 6% of the outstanding shares of La Maur at those dates and are significantly in excess of the average monthly trading volume in this security. For the six month period October 1, 1972 to March 31, 1973, 137,200 shares were traded on the American Stock Exchange, for an average of 22,867 shares per month.

B. Documentation Concerning Certain Disbursements

1. We were unable to obtain satisfactory documentation in support of disbursements made by Capital Growth Company, S.A. in acquiring certain investments reflected in Exhibit B-6, particularly as they relate to the acquisitions of Hacienda Cafetalera Santa Elena, S.A., Chambacu and Chira Island Projects, Chapernal Ranch and Bonanza Ranch as described in various notes of Exhibit B-7. In the case of Santa Elena, which was acquired from San Cristobal, whose records we examined, we noted that San Cristobal received $1,300,000 of the $2,000,000 paid by Capital Growth Company, S.A. With respect to the $700,000 difference, San Cristobal recorded a contract dated November 1, 1971 that provided for a payment of $250,000 to the personal ranch in Costa Rica of the chief executive officer of Capital Growth Company, S.A. in return for an option to purchase lumber during the ensuing three years, and a commission of $450,000 to Sociedad Agricola Industrial y Comercial (represented to be an unrelated company). We were unable to obtain satisfactory evidence in support of the $450,000 commission. (See note C of Exhibit B-7).

2. We noted that 45,000 shares of New Providence Securities Ltd., S.A. were purchased from a shareholder in 1972 for $500,000 (approximately $11 a share), which funds were provided by the proceeds of a loan from a Liechtenstein bank arranged by the chief executive officer of New Providence. We were unable to determine who received the funds because such funds were not passed through bank accounts of New Providence but were forwarded to a third party.

3. A material amount of the expenditures of New Providence Securities (Bahamas) Limited and its subsidiaries for the period January 1, 1970 to September 30, 1972 were not adequately documented.

4. On September 13, 1972, Capital Growth sold its investment in E.H.G., through an intermediary in Switzerland, to Ariel E. Gutierrez, President of E.H.G., and received $1,000,000 cash, which was $1,005,000 less than Capital Growth had paid for its investment. The July 31, 1972 notes to financial statements of E.H.G. indicated that Ariel E. Gutierrez paid $1,300,000 cash for such shares out of the proceeds of a loan from Bahamas Commonwealth Bank. We were unable to determine the disposition of the $300,000 difference between the amount received and the amount reported to have been paid.

C. Financial Records

1. The companies' management has informed us that as of June 4, 1973 (date of completion of our examination) the accompanying financial statements and notes thereto fully disclose all of the material liabilities, commitments and contingencies of the companies as of September 30, 1972 and all subsequent events or transactions that would materially affect the financial statements accompanying this report. However, it was not practicable for us to extend our auditing procedures to the extent necessary to satisfy ourselves that the aforementioned liabilities, commitments and contingencies are fully disclosed in the accompanying financial statements and notes thereto as of September 30, 1972 because of the following factors:

(a) Lack of a satisfactory system of organization with respect to accounting, financial and administrative controls, in relation to the nature and complexity of the companies' business and investment transactions.

(b) The fact that the financial records of some of the significant subsidiaries and affiliates are not being maintained on a current basis with the result that no overall financial statements have been prepared for a date later than September 30, 1972.

2. We were unable to satisfy ourselves with respect to certain other matters because of the manner in which the books and records were maintained during the transition period when the companies were being organized in Costa Rica, as follows:

(a) New Providence Securities (Bahamas) Limited and its subsidiaries processed all planholder transactions prior to the acquisition of Capital Growth Fund and Capital Growth Real Estate Fund, Inc. by Capital Growth Company, S.A. and for a short period thereafter. Planholder transactions for the period prior to September 30, 1971 had to be reconstructed after the companies moved to Costa Rica because not all documentation had been systematically processed. We were unable to satisfy ourselves that these transactions have been properly accounted for.

(b) As set forth in note J to the New Providence financial statements (Exhibit C-5), New Providence Securities Ltd., S.A. has agreed to pay claims submitted by estates of planholders who died prior to the termination of the insurance plan. Management is of the opinion that acceptance of the bearer preferred shares of Capital Growth Company, S.A. by planholders terminates their right to claim insurance benefits; accordingly, management has not computed or set up a provision for claims that may arise with respect to all other planholders whose plan certificates carry an insurance clause. It was not practicable to determine the adequacy of the insurance reserve at September 30, 1972.

(c) The detail property and equipment records of New Providence Securities (Bahamas) Limited and its subsidiaries were not adequate to enable us to determine that the dispositions of such property and equipment were accounted for properly.

D. Other Significant Matters

1. The matters set forth below raise questions as to preferential treatment of some shareholders:

(a) In November 1971, Capital Growth Company, S.A. paid $2,000,000 to reacquire 632,122 shares of preferred stock which it issued to San Cristobal in connection with the acquisition of Santa Elena.

(b) Capital Growth Company, S.A. redeemed some of its shares subsequent to July 19, 1971 (effective date of changing from an open-end fund); however, we are unable to determine that such shares had been tendered prior to that date.

(c) During the period ended September 30, 1972, New Providence Securities Ltd., S.A. and New Providence Securities (Bahamas) Limited made substantial purchases of their shares from certain shareholders at prices considerably in excess of what appears to have been the book value of such shares.

(d) Sion Plaza, S.A. (the Costa Rican trustee who succeeded Arawak Trust Company after Arawak resigned effective May 3, 1971) agreed on behalf of New Providence Investment Plans to accept the request to transfer the net assets of the trust to Capital Growth Company, S.A., effective May 15, 1971. The open-end fund was converted to a closed-end company on July 19, 1971 and Capital Growth Real Estate Fund, Inc. was acquired on August 12, 1971. Such changes, including the termination of the insurance plan described in note J to the financial statements of New Providence (Exhibit C-5), were effected by New Providence without consultation with the planholders. In addition, the net asset values of Capital Growth Company, S.A. and Capital Growth Real Estate Fund, Inc. used to effect the combination of such companies were based on unaudited data that was significantly changed after the acquisition was completed. The changes resulted from adjustments made in connection with our audit of the accompanying financial statements. There has been no determination of the effect such changes would have had on the shareholders of each entity if revised net asset values had been used and we understand that management does not intend to make any adjustments.

(e) The daily net asset values at which shares of Capital Growth Real Estate Fund, Inc. and Capital Growth Company, S.A. were issued and redeemed would have been different if the adjustments made in connection with our audit of the accompanying financial statements had been reflected in such net asset values. There has been no determination of the effect such changes would have had on the shareholders if revised net asset values had been used and we understand that management does not intend to make any adjustments.

(f) Shares of New Providence Securities Ltd., S.A. were issued for no consideration to all shareholders of New Providence Securities (Bahamas) Limited and to some of the shareholders of Capital Growth Management Company Limited. The legality of the issuance of the shares of New Providence Securities Ltd., S.A. without consideration and the propriety of the determination as to which shareholders of Capital Growth Management Company Limited should receive shares of New Providence Securities Ltd., S.A. has not been determined.

(g) Interest-free loans or advances of $342,090 were made by New Providence Securities (Bahamas) Limited and its subsidiaries to certain of its shareholders, officers and/or dealers, for which the company has established a 100% provision for losses at September 30, 1972. During 1972, New Providence Securities Ltd., S.A. also made interest-free loans to its officers, substantially all of which were repaid prior to September 30, 1972.

2. During the two years ended September 30, 1972, Capital Growth Company, S.A. had a total turnover of marketable securities approximating $247,000,000, which turnover represented approximately 550% and 900% of the average portfolio and resulted in losses of $242,453 and $421,402 during 1971 and 1972, respectively. During the same period, security handling fees paid to New Providence approximated $1,100,000 and commissions paid to various securities brokers approximated $1,700,000, including approximately $1,400,000 of commissions on securities transactions placed through an individual who was employed at various times by different brokers during this period. In addition, Capital Growth and its predecessors paid management, advisory and other fees or commissions of approximately $1,300,000, $700,000, and $400,000 to New Providence during the fiscal years ended in 1970, 1971 and 1972, respectively. Management, advisory and other fees or commissions, which included real estate commissions, were calculated on asset values that were subsequently restated to lower amounts as a result of adjustments made in connection with our audit. No provision has been included in the accompanying financial statements for recovery of any part of the fees paid because management does not intend to make any refunds. The foregoing payments by Capital Growth to New Providence were made during periods when the receivable from New Providence was increasing. (See note 3 of Exhibit B-5.)

3. When Capital Growth Company, S.A. was organized, New Providence Securities Limited (subsidiary of New Providence (Bahamas)) subscribed for all of the common stock (representing the controlling interest in Capital Growth) for $100; then New Providence Securities Ltd., S.A. paid for this subscription in October 1972 and assumed ownership of such shares. However, we have been unable to determine the propriety of the transfer of the shares to New Providence Securities Ltd., S.A. at a time when New Providence Securities Limited owed approximately $3,000,000 to Capital Growth, which obligation was not assumed by New Providence Securities Ltd., S.A. and has been written off by Capital Growth as uncollectible.

4. New Providence Securities Ltd., S.A. had a shareholders' deficit of approximately $400,000 at September 30, 1972 and its continuation as a going concern is dependent on Capital Growth, as New Providence's only significant source of revenue is from Capital Growth. It should be noted that Capital Growth has not guaranteed New Providence's borrowing of $500,000. New Providence Securities (Bahamas) and its subsidiaries are inactive.

5. Management has announced that, in case of liquidation, the preferred shares of Capital Growth Company would be entitled to the net assets as of the date of liquidation, as indicated in note c to Exhibit B-3. However, the certificate of incorporation of Capital Growth Company, S.A. has not been amended to specify such rights, so the preferred shareholders may not be legally entitled to such net assets.

6. During the three-year period in which Capital Growth Company, S.A. owned approximately 23% of the shares of E.H.G. Enterprises, Inc., Capital Growth entered into various real estate transactions with E.H.G. or its subsidiaries, as indicated in notes H through K of Exhibit B-7. The approximate net effect of such transactions on the financial statements of Capital Growth (other than commissions paid to New Providence) was to convert $1,130,000 ($500,000 of which was repaid subsequent to September 30, 1972) of cash into notes of a subsidiary of E.H.G. Based on the published financial statements of E.H.G. and its subsidiaries for the years ended July 31, 1970, 1971 and 1972, it appears that E.H.G. reported substantially higher profits as a result of transactions with companies owned by Capital Growth. For example, it appears that E.H.G. would have reported net losses in 1970 and 1971 had it not been for gains of approximately $330,000 and $600,000, respectively, with companies owned by Capital Growth, including a transaction on September 6, 1971 which was reflected as of July 31, 1971 in the financial statements of E.H.G. The effect of the purchase of Condominium Development from E.H.G in February 1972 was to significantly reduce (approximately $6,000,000) the amount of apartments held for sale by E.H.G. as shown in its balance sheet at July 31, 1972. We have been informed that this investment is to be returned to E.H.G. Capital Growth agreed to extend the due dates of the notes issued by Golden Beach Apartments Corp. for the purchase of Transcaribbean Real Estate Properties, Inc. for a consideration of $20,000, according to a note to the July 31, 1972 financial statements of E.H.G. The books of Capital Growth do not reflect receipt of the $20,000. It is possible that, as a result of these transactions, E.H.G. may have been able to borrow more funds than it would have otherwise been able to borrow, by reason of the stepped-up bases of certain of the properties.

Disclaimer of Opinion

There were numerous transactions with affiliated companies and related parties during the period covered by the financial statements. It was not possible for us to determine whether such transactions were consummated on the same basis as they would have been consummated if there had been arm's-length negotiations with unrelated parties. In view of the significance of the numerous transactions with affiliated companies and related parties and other uncertainties as discussed in the sections designated as A through D in this report, all of which materially affect the determination of financial position, results of operations and changes in financial position, we are not in a position to express an opinion on the aforementioned financial statements of Capital Growth Company, S.A., New Providence Securities Ltd., S.A. and their predecessor companies.

Peat, Marwick, Mitchell & Co.

June 4, 1973
(date of completion of examination;
report issued on July 31, 1973)

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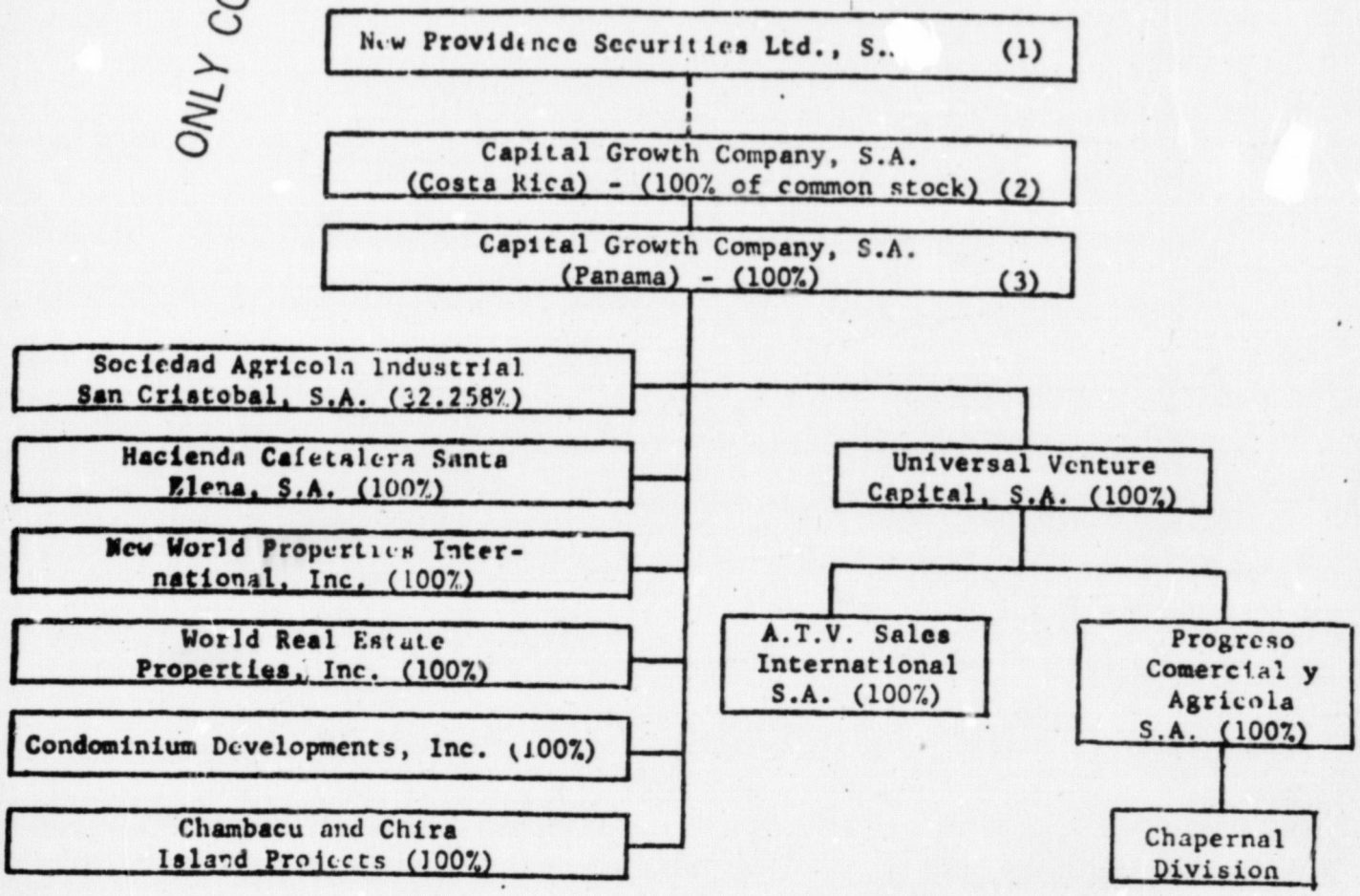
CAPITAL GROWTH COMPANY, S.A.
AND AFFILIATED COMPANIES

Exhibit A-1

Chart of Various Corporate Relationships

September 30, 1972



Notes:

(1) Incorporated in Panama, and commenced management of Capital Growth Company, S.A. on October 15, 1971.

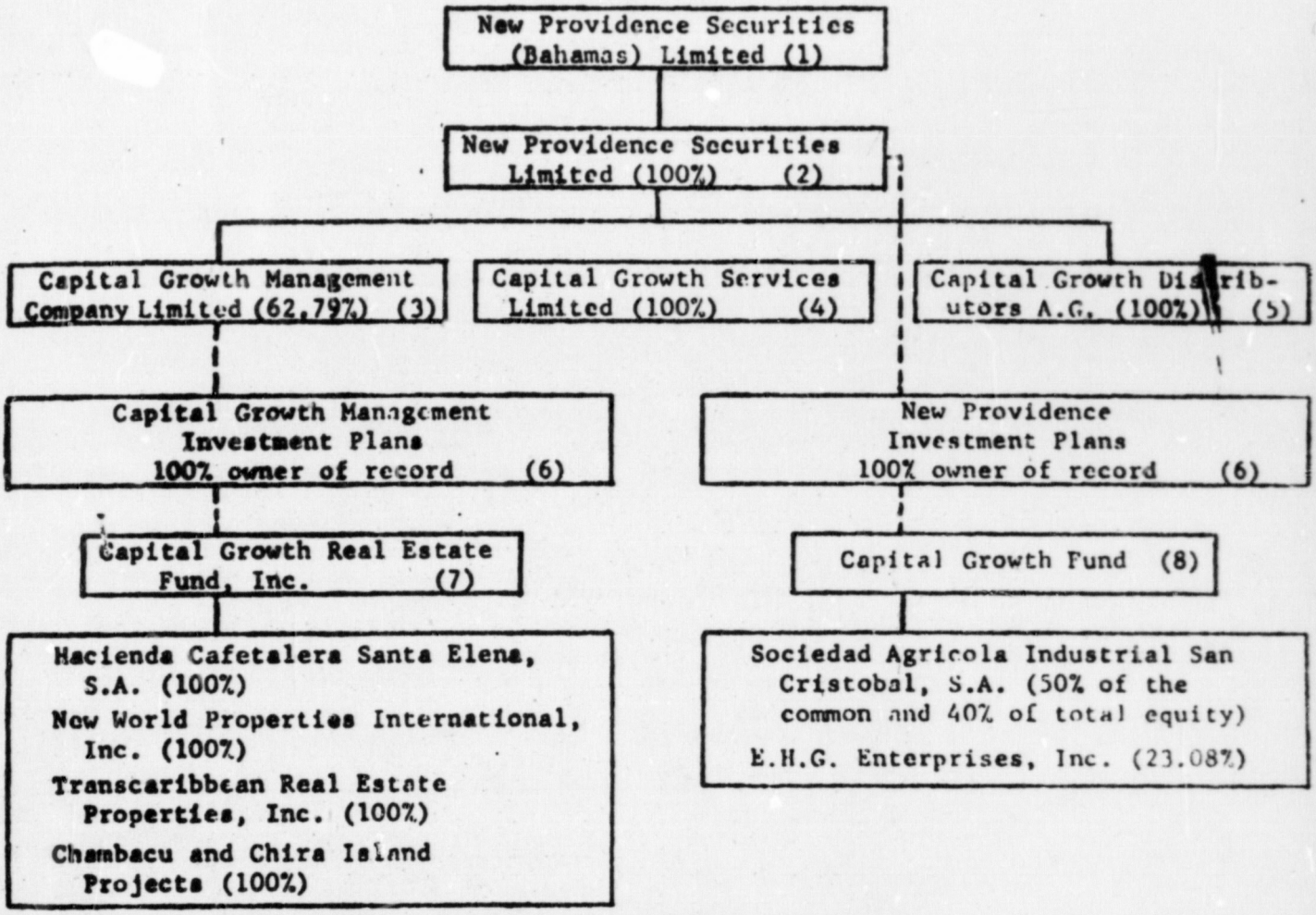
(2) Capital Growth Fund, S.A. was incorporated in Costa Rica on May 5, 1971. On May 15, 1971, substantially all of the net assets of Capital Growth Fund, the Bahamas trust, were transferred to Capital Growth Fund, S.A. On July 16, 1971, New Providence Securities Limited informed the shareholders of Capital Growth Fund, S.A. that the fund would be converted to a closed-end investment company, and that the management company's Zurich and London offices would be closed and all operations transferred to Costa Rica. On August 12, 1971, Capital Growth Fund, S.A. acquired the net assets of Capital Growth Real Estate Fund, Inc., and on September 24, 1971, changed its name to Capital Growth Company, S.A.

(3) Capital Growth Company, S.A. was incorporated in Panama on August 4, 1972, as a wholly-owned subsidiary of the Costa Rican corporation of the same name, and acquired substantially all of the investments of the Costa Rican corporation on that date.

CAPITAL GROWTH COMPANY, S.A.
PREDECESSOR AND AFFILIATED COMPANIES

Chart of Various Corporate Relationships

August 12, 1971 (See note 2 of notes to financial statements - Exhibit B-5)



Notes:

(1) Holding company incorporated in Bahamas.
(2) Incorporated in Bahamas to manage Capital Growth Fund.
(3) Incorporated in Bahamas to manage Capital Growth Real Estate Fund, Inc.
(4) Incorporated in United Kingdom to service shareholder accounts.
(5) Incorporated in Switzerland to distribute fund shares.
(6) Investors in each fund received share certificates in the name of the respective plan account for each fund.
(7) Incorporated in Panama as an open-end mutual fund to invest in income-producing real estate.
(8) Organized in Bahamas as an open-end trust to invest in securities.

CAPITAL GROWTH COMPANY, S.A.

Statement of Net Assets

September 30, 1971 and 1972
with comparative figures for Capital Growth Fund and
Capital Growth Real Estate Fund, Inc. for September 30, 1970

(expressed in U.S. dollars)

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	September 30, 1970			September 30	
	Capital Growth Fund related (note 1)	Capital Growth Real Estate Fund, Inc.	Combined	1971	1972
Assets:					
Investments in, and advances to subsidiary and affiliated companies, at equity value (Exhibit B-6)	$ 3,940,141	2,435,020	6,375,161	5,503,141	8,857,440
Investments in marketable securities, at market value (Exhibit B-8)	25,381,539	-	25,381,539	5,295,563	3,874,138
Cash	3,067,166	143,726	3,210,892	699,359	2,118,520
Time deposits, including accrued interest	27,849,819	-	27,849,819	6,777,499	50,000
Receivable from brokers for investment securities sold	191,391	-	191,391	2,716,073	523,329
Receivable from New Providence Securities (Bahamas) Limited	1,374,936	1,851,900	3,226,836	3,166,915	3,156,691
Less provision for losses	719,626	1,484,369	2,203,995	3,166,915	3,156,691
Net receivable (note 3)	655,310	367,531	1,022,841	-	-
Office equipment	-	-	-	-	848
Common stock subscription receivable (note 3)	-	-	-	100	100
Total assets	61,085,366	2,946,277	64,031,643	20,991,735	15,424,375
Liabilities:					
Bank loans, collateralized by marketable securities	24,500,000	-	24,500,000	-	-
Payable to Sociedad Agricola Industrial San Cristobal, S.A., affiliated company	-	2,000,000	2,000,000	2,000,000	-
Accounts payable:					
Brokers, for investment securities purchased	8,186,164	-	8,186,164	33,329	136,087
Planholders for repurchase of shares	-	124,560	124,560	175,618	38,320
Other, including accrued expenses	1,069,825	92,344	1,162,169	504,397	765,682
Debentures outstanding (note 4)		424,250	424,250	586,858	246,273
Total liabilities	33,755,989	2,641,154	36,397,143	3,300,202	1,186,362
Net assets	$ 27,329,377	305,123	27,634,500	17,691,533	14,238,013
Net assets applicable to preferred shares (note c - Exhibit B-3)	$ 27,329,377	305,123	27,634,500	17,691,433	14,237,913
Number of preferred shares outstanding	6,437,313	832,732	7,270,045	5,939,453	5,863,498
Net assets per preferred share	$ 4.25	.37	3.80	2.98	2.43

See accompanying notes to financial statements (Exhibit B-5).

CAPITAL GROWTH COMPANY, S.A.

Statement of Operations

Two Years ended September 30, 1972
with comparative figures for Capital Growth Fund and
Capital Growth Real Estate Fund, Inc.
for the year ended September 30, 1970

(expressed in U.S. dollars)

	September 30, 1970			September 30	
	Capital Growth Fund restated (note 1)	Capital Growth Real Estate Fund, Inc.	Combined	1971	1972
Subsidiary and affiliated companies (Exhibit B-6):					
Equity in earnings or (losses)	$ -	(11,552)	(11,552)	(288,065)	(378,347)
Provision for losses on investments	(73,530)	(1,515,545)	(1,589,075)	(698,071)	(1,217,219)
	(73,530)	(1,527,097)	(1,600,627)	(986,136)	(1,595,566)
Marketable securities (Exhibit B-4):					
Realized losses from sales of marketable securities	(20,610,995)	-	(20,610,995)	(6,657,052)	(839,277)
Changes in unrealized depreciation of marketable securities	(7,508,741)	-	(7,508,741)	6,414,599	417,875
	(28,119,736)	-	(28,119,736)	(242,453)	(421,402)
Other:					
Income:					
Interest and dividends, net of taxes withheld at source	1,867,605	115,400	1,983,005	888,810	449,578
Expenses:					
Interest	3,645,373	40,578	3,685,951	378,413	184,154
Management fees (note 3)	1,254,686	48,370	1,303,056	1,345,123	614,038
Advisory fees (note 3)	270,120	-	270,120	117,709	135,220
Professional fees - legal	-	-	-	102,218	39,862
Professional fees - accounting	32,000	4,125	36,125	209,316	97,000
Custodian, bank charges and other	313,048	81,256	394,304	246,769	130,952
Taxes	-	-	-	216,332	302,392
	5,515,227	174,329	5,689,556	2,615,880	1,503,618
Excess of expenses over income	(3,647,622)	(58,929)	(3,706,551)	(1,727,070)	(1,054,040)
Loss on advances to management companies (note 3)	(719,626)	(1,484,369)	(2,203,995)	(962,920)	10,224
Net loss	$ (32,560,514)	(3,070,395)	(35,630,909)	(3,918,579)	(3,060,784)
Net loss per preferred share (average of beginning and ending shares)	$ (5.22)	(7.37)	(5.38)	(.63)	(.52)

See accompanying notes to financial statements (Exhibit B-5).

CAPITAL GROWTH COMPANY, S.A.

Statement of Changes in Shareholders' Equity

Two Years ended September 30, 1972

(expressed in U.S. dollars)

	Total	Preferred shares, par value $.10 per share	Common shares, par value $.10 per share	Capital paid in excess of par value of shares	Treasury shares	Accumulated deficit
Equity at October 1, 1970 attributable to 6,437,313 shares of Capital Growth Fund (note 1)	$ 27,329,377	643,731	-	87,949,909	-	(61,264,263)
Equity at October 1, 1970, attributable to 832,732 shares of Capital Growth Real Estate Fund, Inc.	305,123	83,274	-	3,292,244	-	(3,070,395)
Combined equity at October 1, 1970	27,634,500	727,005	-	91,242,153	-	(64,334,658)
Transactions with shareholders during year ended September 30, 1971:						
Proceeds from shares issued:						
1,209,508 bearer shares preferred stock	4,553,716	120,950	-	4,432,766	-	-
1,000 shares common stock	100	-	100	-	-	-
Payment for 1,858,786 preferred shares redeemed	(8,400,613)	(185,878)	-	(8,214,735)	-	-
Cost of acquiring 671,314 preferred shares as treasury shares	(2,177,591)	-	-	-	(2,177,591)	-
Loss from operations during year ended September 30, 1971 (Exhibit B-2)	(3,918,579)	-	-	-	-	(3,918,579)
Equity at September 30, 1971 attributable to 5,949,453 preferred shares and 1,000 common shares outstanding (authorized 10,000,000 preferred shares and 1,000 common shares)	17,691,533	662,077	100	87,460,184	(2,177,591)	(68,253,237)
Transactions with shareholders during year ended September 30, 1972:						
Cost of acquiring 85,955 preferred shares as treasury shares	(392,736)	-	-	-	(392,736)	-
Loss from operations during year ended September 30, 1972 (Exhibit B-2)	(3,060,784)	-	-	-	-	(3,060,784)
Equity at September 30, 1972 attributable to 5,863,498 preferred shares and 1,000 common shares outstanding (authorized 10,000,000 preferred shares and 1,000 common shares)	$ 14,238,013	662,077	100	87,460,184	(2,570,327)	(71,314,021)

Notes:

(a) Acquisition of funds:
See note 2 of notes to financial statements.

(b) Voting Rights:
Management has announced at shareholders' meetings in 1972 that each preferred share is entitled to one vote with respect to all business matters of the Company, although the Company's charter indicates that the preferred shares are entitled to vote only under certain limited circumstances. Management has also announced that the common shares have 4,000 votes per share.

(c) Liquidation Rights:
Management has announced at shareholders' meetings in 1972 that the preferred shares are entitled to all of the net assets of the Company in excess of the par value of the common shares, although the Company's charter indicates that the preferred shares are entitled to be paid their par value before beginning payment and distribution of the remaining net assets to the common shares on dissolution or liquidation of the Company.

See accompanying notes to financial statements (Exhibit B-5).

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CAPITAL GROWTH COMPANY, S.A.

Statement of Realized and Unrealized Gains and Losses on Marketable Securities

Two Years ended September 30, 1972

(expressed in U.S. dollars)

	Cost	Market value	Unrealized depreciation	Change in unrealized depreciation
Marketable securities - September 30, 1970	$ 34,125,195	25,381,539	(8,743,656)	
Cost of marketable securities purchased	73,000,718			
	107,125,913			
Cost of marketable securities sold:				
Net proceeds received	92,844,241			
Realized losses on sales	6,657,052			
	99,501,293			
Marketable securities - September 30, 1971	7,624,620	5,295,563	(2,329,057)	6,414,599
Cost of marketable securities purchased	40,118,850			
	47,743,470			
Cost of marketable securities sold:				
Net proceeds received	41,118,873			
Realized losses on sales	839,277			
	41,958,150			
Marketable securities - September 30, 1972	$ 5,785,320	3,874,138	(1,911,182)	417,875

See accompanying notes to financial statements (Exhibit B-5).

CAPITAL GROWTH COMPANY, S.A.

Notes to Financial Statements

(1) Restatement and Reclassification of Financial Statements:
The financial statements of Capital Growth Fund as of September 30, 1970 and for the year then ended have been restated to take into account the effect of events that occurred subsequent to the date (November 6, 1970) of the report of the previous auditors (not Peat, Marwick, Mitchell & Co.) in which the previous auditors' opinion was qualified as follows:

"We are unable to express an opinion as to:

(i) the carrying value of the quoted investment in Dearborn Computer & Marine Corporation, because of uncertainties....

(ii) the values attributed to the two unquoted stocks (Sociedad Agricola Industrial San Cristobal, S.A., and E.H.G. Enterprises, Inc.) because of the uncertainty inherent in the valuation of such investments, which now form a significant portion of the portfolio.

(iii) the recoverability of the debt of the former custodian bank which the bank was endeavoring to collect from a brokerage firm.

(iv) the realization of the debt due from New Providence Securities Limited."

Events occurring subsequent to November 6, 1970 and the bases for the adjustments to the September 30, 1970 financial statements are as follows:

(i) Investment in Dearborn Computer & Marine Corporation:
On December 8, 1970, the parties to litigation concerning the Fund's investment in Dearborn Computer & Marine Corporation agreed to terminate such litigation whereby 298,000 shares of Dearborn were sold to that company and the remaining 116,400 of Dearborn were sold in the open market. The disposal of the 414,400 shares, having a carrying value of $8,391,600, resulted in a loss of $14,373.

(ii) Unquoted stocks:
The investment in Sociedad Agricola Industrial San Cristobal, S.A. has been written down to reflect the equity in underlying net assets of such company and the investment in E.H.G. Enterprises, Inc. has been restored to cost, the effect of which was to reduce the net assets of the Fund by $359,859.

(iii) Due from broker:
Pursuant to a settlement agreement dated June 9, 1972, the former custodian bank (Manufacturers Hanover Trust Company) paid Capital Growth Company, S.A. $115,000, which was $29,267 less than the amount claimed at September 30, 1970.

(Continued)

CAPITAL GROWTH COMPANY, S.A.

Notes to Financial Statements, Continued

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(1). Continued:

(iv) Due from New Providence Securities Limited:
$719,626 of the amount due from New Providence Securities Limited at September 30, 1970 was not repaid and has been determined to be not recoverable because that company is inactive and has virtually no assets; accordingly, such amount has been fully reserved.

The foregoing adjustments of the September 30, 1970 Capital Growth Fund financial statements are reflected as follows:

	Balance before adjustments		Adjustments	Balance as restated
Statement of net assets as of September 30, 1970:				
Assets:				
Investments in marketable securities, at market value	$ 25,395,912	(1)	(14,373)	25,381,539
Unquoted stocks, at estimated fair value	4,300,000	(ii)	(359,859)	3,940,141
Cash	3,067,166		-	3,067,166
Time deposits including accrued interest	27,849,819		-	27,849,819
Receivable from brokers for investment securities sold	220,658	(iii)	(29,267)	191,391
Receivable from New Providence Securities Limited	1,374,936	(iv)	(719,626)	655,310
Total assets	62,208,491		(1,123,125)	61,085,366
Liabilities:				
Bank loans	24,500,000		-	24,500,000
Payable to brokers for investment securities purchased	8,186,164		-	8,186,164
Accrued expenses	1,069,825		-	1,069,825
Total liabilities	33,755,989		-	33,755,989
Net assets applicable to preferred shares	$ 28,452,502		(1,123,125)	27,329,377
Net assets per preferred share	$ 6.42		(.17)	6.25
Condensed statement of operations year ended September 30, 1970:				
Investments securities:				
Realized losses	(20,610,995)	(i)	(14,373)	(20,625,368)
Unrealized depreciation	(7,199,368)	(ii)	(295,000)	(7,494,368)
	(27,810,363)		(309,373)	(28,119,736)
Subsidiary and affiliated companies - provision for losses	-		(73,530)	(73,530)
Other:				
Income	1,867,605		-	1,867,605
Expenses	(5,485,960)	(iii)	(29,267)	(5,515,227)
Excess of expenses over income	(3,618,355)		(29,267)	(3,647,622)
Loss on advances to New Providence Securities Limited	-	(iv)	(719,626)	(719,626)
Net loss from operations	$(31,428,718)		(1,131,796)	(32,560,514)

* * * * * * *

(Continued)

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CAPITAL GROWTH COMPANY, S.A.

Notes to Financial Statements, Continued

The financial statements of Capital Growth Fund as of September 30, 1970 did not present the separate elements of the Trust Fund balances; however, for comparative purposes, such amounts have been divided into their component parts as if the Fund had been a corporation at September 30, 1970, as shown in the Statement of Changes in Stockholders' Equity.

(2) Acquisition of Funds:

On May 15, 1971, the net assets of Capital Growth Fund were acquired by Capital Growth Company, S.A. The Plan holders of New Providence Investment Plan (the vehicle through which Capital Growth Fund was owned) received one bearer preferred share in Capital Growth Company, S.A. in exchange for each unit of interest in their Plan accounts.

On August 12, 1971, the net assets of Capital Growth Real Estate Fund, Inc. were acquired by Capital Growth Company, S.A. The Plan holders of Capital Growth Management Investment Plans (the vehicle through which Capital Growth Real Estate Fund, Inc. was owned) received 2.517 bearer preferred shares of Capital Growth Company, S.A. in exchange for each unit of interest in their Plan accounts. The exchange ratio for the Plan accounts of Capital Growth Real Estate Fund, Inc. was determined on the basis that each share of Capital Growth Company, S.A. was valued at $4.52 and that each unit of Capital Growth Real Estate Fund, Inc. was valued at $11.38.

For comparative purposes, the units of Capital Growth Fund and Capital Growth Real Estate Fund, Inc. outstanding at September 30, 1970 and transactions to the respective acquisition dates have been stated as if the preferred bearer shares were outstanding throughout the entire period.

The books of Capital Growth Fund and Capital Growth Real Estate Fund, Inc. were kept in U. S. dollars. Capital Growth Company, S.A. maintains its books principally in U. S. dollars; however, certain transactions and the books of certain subsidiaries in Costa Rica are undertaken or maintained in Costa Rican colones. The appropriate rates of exchange, as applicable, were used at the various financial statement dates to translate the Costa Rican colones into U. S. dollars.

(3) Summary of Transactions with Management Companies:

(A) The composition of the receivable due from New Providence Securities (Bahamas) Limited at September 30, 1970 was as follows:

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Exhibit B-5, Cont.

CAPITAL GROWTH COMPANY, S.A.

Notes to Financial Statements, Continued

(11), Continued:
(A), continued:

	Total	Capital Growth Fund	Capital Growth Real Estate Fund, Inc.
Cash advances	$ 2,050,260	-	2,050,260
Accrued interest on above advances	115,400	-	115,400
Unremitted net shareholders' subscriptions monies	1,409,176	1,374,936	34,240
	3,574,836	1,374,936	2,199,900
Less:			
Commission charged by management companies on the acquisition of the shares of Hacienda Cafetalera Santa Elena Ltda.	348,000	-	348,000
	$ 3,226,836	1,374,936	1,851,900

Transactions with the management companies during the year ended September 30, 1971 are summarized as follows:

Advances:		
Cash advances at October 1, 1970		$ 2,050,260
Accrued interest at October 1, 1970		115,400
		2,165,660
Repayments during year	$ 767,773	
Additional advances during year	530,242	
Net repayments		(237,531)
Interest charged during year		128,306
Net advances and interest at September 30, 1971		2,056,435
Share and Bondholder accounts:		
Unremitted net share subscriptions at October 1, 1970	1,409,176	
Cash received from management companies on account of above net subscriptions	655,310	
	753,866	
Unremitted net share and bondholder subscription monies received during year	545,447	
Shareholder redemption monies used to supplement management company working capital	289,167	
Net unremitted amounts relating to share and bondholder accounts at September 30, 1971		1,588,480
Other:		
Commissions at September 30, 1970	(348,000)	
Fee charged by management company for management of Capital Growth Real Estate Fund, Inc. from inception, October 27, 1969, to August 12, 1971, date of merger with Capital Growth Fund, S.A.	(130,000)	
Total other at September 30, 1971		(478,000)
Balance at September 30, 1971		$ 3,166,915

(Continued)

CAPITAL GROWTH COMPANY, S.A.

Notes to Financial Statements, Continued

(A) Continued:

Transactions during the year ended September 30, 1972 are summarized as follows:

Balance at October 1, 1971		$ 3,166,915
Cash advances from Company to management company during year, net of repayment of $10,847		2,665,998
		5,832,913
Share and bondholder transactions effected by management company:		
Payment of redemptions outstanding at September 30, 1971	$ (111,775)	
Purchase of debentures during year ended September 30, 1972	(162,972)	
Settlement of payable to affiliated company for treasury stock acquired prior to September 30, 1971	(2,000,000)	
Payment of cost of acquired 90,142 preferred shares as treasury stock during year ended September 30, 1972	(365,736)	(2,640,483)
Expenses paid on behalf of Capital Growth Company, S.A.		(11,589)
Management fees applied to account balance		(24,150)
Balance at September 30, 1972		$ 3,156,691

New Providence Securities (Bahamas) Limited has a stockholders' deficit and virtually no assets, and accordingly Capital Growth Company, S.A. has fully reserved the unpaid balance of the receivable. The provision for loss account is summarized as follows:

	1970	1971	1972
Balance at beginning of year	$ -	2,203,995	3,166,915
Provided during year	2,203,995	962,920	(10,224)
Balance at end of year	$ 2,203,995	3,166,915	3,156,691

(B) Management fees and commissions for the years are summarized as follows:

	September 30, 1970			Capital Growth Company, S.A. September 30	
	Capital Growth Fund	Capital Growth Real Estate Fund, Inc.	Combined	1971	197
Security handling	$ 867,500	-	867,500	778,875	319,927
Management	387,186	48,370	435,556	388,571	294,111
Other	-	563,580	563,580	177,677	-
	$ 1,254,686	611,950	1,866,636	1,345,123	614,038

The reconciliation of the fees received by New Providence Securities (Bahamas) Limited for the 21 months ended September 30, 1971, as shown in the accompanying statement of operations of such company, to the payments for the 24 months ended September 30, 1971, shown above, is as follows:

CAPITAL GROWTH COMPANY, S.A.

Notes to Financial Statements, Continued

(1). Continued:
(B). Continued:

Fees for 21 months to September 30, 1971	$ 2,746,596
Add fees for three months to December 31, 1969	465,163
	$ 3,211,759
Payments:	
Year ended September 30, 1970:	
Charged to expense	1,303,056
Capitalized	563,580
	1,866,636
Year ended September 30, 1971 - charged to expense	1,345,123
	$ 3,211,759

According to the management agreements, the basis of computing the fees was as follows:

Security handling - 1/2 of 1% of the amount of substantially all purchases and sales of marketable securities.
Management - 1% per annum of the average gross assets of the funds.

Other:

(i) $563,580 represents commissions paid and capitalized in connection with the acquisition of certain properties. Such fees were based on the gross value of the underlying properties.

(ii) $177,677 represents an additional payment for settlement of expense claims.

As of April 1, 1971, advisory fees based on 1/2 of 1% per annum of average total assets were paid to Sheffield Advisory Company (successor to previous adviser), the Managing Director of which was a director of Capital Growth Company, S.A. from October 15, 1971 to July 25, 1972. Pursuant to a letter agreement dated May 17, 1971 between Sheffield Advisory Company and C. W. McAlpin, Sheffield agreed to pay to C. W. McAlpin one-half of the fees received from Capital Growth Company, S.A. As part of such agreement, C. W. McAlpin warranted and represented that all of the payments to be made to him would be paid to, or applied in full for the benefit of, New Providence Securities Limited. However, at the direction of New Providence, Sheffield made payments of approximately $100,000 to September 30, 1972 for research projects or other costs. As of June 1, 1973, approximately $137,000 was so paid and this agreement was terminated.

Management has determined that adjustments to gross assets for the three years ended September 30, 1972 arising from changes in accounting procedures or other adjustments relating to the audits for such years do not justify recalculati

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CAPITAL GROWTH COMPANY, S.A.

Notes to Financial Statements, Continued

or refunds of management or advisory fees paid before such adjustments were determined to be necessary.

(C) At the time of incorporation of Capital Growth Company, S.A. and the acquisition of the net assets of Capital Growth Fund, New Providence Securities Limited acquired all of the common shares (1,000 shares) of Capital Growth Company, S.A. for $100 on October 15, 1971. The investment in such stock was later transferred to the books of New Providence Securities Ltd., S.A. and was paid for in October 1972, by such company.

(4) Debentures Outstanding:

The debentures outstanding at September 30, 1972 originally issued by Capital Growth Real Estate Fund., Inc. consist of $174,000 of income debentures and $72,273 of growth debentures. The income debentures were issued to the public at face value of $1,000, bear interest at 10% per annum and mature 10 years after issuance. At the option of the holder, such debentures may be redeemed at discounts from face value which range from 8% to 1% during the first 8 years after issuance, and thereafter at face value. The growth debentures were issued in multiples of $1,000 at 50% of face and are redeemable at any time from 6 months after issuance at increasing amounts to face value at 7 years and 4 months after issuance.

Exhibit B-6

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CAPITAL GROWTH COMPANY, S.A.

Statement of Investments in and Advances to Subsidiary and Affiliated Companies

Years ended September 30, 1971 and 1972

(expressed in U.S. dollars)

Description	Balance at September 30, 1970			Transactions during year ended September 30, 1971				Transactions during year ended September 30, 1972			
	Capital Growth Fund	Capital Growth Real Estate Fund, Inc.	Combined	Net investments and advances	Equity in earnings or (loss)	Addition to provision for losses	Balance at Sep.30,1971	Net investments and advances	Equity in earnings or (loss)	Addition to provision for losses	Balance at Sep.30,1972
Sociedad Agricola Industrial San Cristobal, S.A. (note B):											
Investment	$ 2,000,000	-	2,000,000	-	-	-	2,000,000	(500,000)	-	-	1,500,000
Advances	-	-	-	-	-	-	-	500,000	-	-	500,000
Total investment	2,000,000	-	2,000,000	-	-	-	2,000,000	-	-	-	2,000,000
Provision for losses	64,859	-	64,859	-	-	583,957	648,816	-	-	151,753	800,569
Net investment	1,935,141	-	1,935,141	-	-	583,957	1,351,184	-	-	151,753	1,199,431
Hacienda Cafetalera Santa Elena, S.A. (note C):											
Equity in net assets	-	976,149	976,149	-	(261,366)	-	714,783	-	(63,897)	-	650,886
Excess of purchase price over net assets acquired	-	1,421,851	1,421,851	-	-	-	1,421,851	-	-	-	1,421,851
Advances	-	-	-	-	-	-	-	1,040,000	-	-	1,040,000
Accrued interest	-	-	-	-	-	-	-	-	59,477	-	59,477
Total investment	-	2,398,000	2,398,000	-	(261,366)	-	2,136,634	1,040,000	(4,420)	-	3,172,214
Provision for losses	-	1,421,851	1,421,851	-	-	-	1,421,851	-	-	-	1,421,851
Net investment	-	976,149	976,149	-	(261,366)	-	714,783	1,040,000	(4,420)	-	1,750,363
Chambacu and Chira Island Projects (note D):											
Total investment, net of accumulated amortization	-	249,324	249,324	28,525	(6,328)	-	271,521	-	(6,328)	-	265,193
Provision for losses	-	93,694	93,694	-	-	114,114	207,808	-	-	-	207,808
Net investment	-	155,630	155,630	28,525	(6,328)	114,114	63,713	-	(6,328)	-	57,385
New World Properties International Inc. (note E):											
Equity in net assets	-	173,241	173,241	61,591	(6,499)	-	228,333	-	(36,504)	-	191,829
Advances	-	-	-	-	-	-	-	115,000	-	-	115,000
Total investment	-	173,241	173,241	61,591	(6,499)	-	228,333	115,000	(36,504)	-	306,829
Universal Venture Capital, S.A. (note F):											
Equity in net assets	-	-	-	-	-	-	-	4,571,388	(188,385)	-	4,383,003
U. H. G. Enterprises, Inc. and affiliated companies:											
U. H. G. Enterprises, Inc. (note G):											
Total investment	2,005,000	-	2,005,000	-	-	-	2,005,000	(2,005,000)	-	-	-
Provision for losses	-	-	-	-	-	-	-	(1,005,000)	-	1,005,000	-
Net investment	2,005,000	-	2,005,000	-	-	-	2,005,000	(1,000,000)	-	1,005,000	-
Transcaribbean Real Estate Properties, Inc. (note H):											
Equity in net assets	-	20,000	20,000	(20,000)	-	-	-	-	-	-	-
Advances	-	1,110,000	1,110,000	(1,110,000)	-	-	-	-	-	-	-
Total investment	$ -	1,130,000	1,130,000	(1,130,000)	-	-	-	-	-	-	-

Exhibit B-6,Cont.

CAPITAL GROWTH COMPANY S.A.

Statement of Investments in and Advances to Subsidiary and Affiliated Companies, Continued

(expressed in U.S. dollars)

Description	Balance at September 30, 1970			Transactions during year ended September 30, 1971				Transactions during year ended September 30, 1972			
	Capital Growth Fund	Capital Growth Real Estate Fund, Inc.	Combined	Net investments and advances	Equity in earnings or (loss)	Addition to provision for losses	Balance at Sep.30,1971	Net investments and advances	Equity in earnings or (loss)	Addition to provision for losses	Balance at Sep.30,1972
E. B. C. Enterprises, Inc. and affiliated companies, continued:											
Golden Beach Apartments Corporation (note I):											
Advances	$ -	-	-	1,600,000	-	-	1,600,000	-	-	-	1,600,000
Accrued interest	-	-	-	-	24,000	-	24,000	-	144,000	-	168,000
Total investment	-	-	-	1,600,000	24,000	-	1,624,000	-	144,000	-	1,768,000
Deferred profit	-	-	-	470,000	-	-	470,000	-	-	-	470,000
Net investment	-	-	-	1,130,000	24,000	-	1,154,000	-	144,000	-	1,298,000
World Real Estate Properties, Inc. (note J):											
Equity in net assets	-	-	-	-	(13,872)	-	(13,872)	-	(83,233)	-	(97,105)
Condominium Development Inc. (note K):											
Equity in net assets	-	-	-	-	-	-	-	(40,466)	-	-	(40,466)
Excess of purchase price over net assets acquired	-	-	-	-	-	-	-	60,466	-	-	60,466
Total investment	-	-	-	-	-	-	-	20,000	-	-	20,000
Provision for losses	-	-	-	-	-	-	-	-	-	60,466	60,466
Net investment	-	-	-	-	-	-	-	20,000	-	60,466	(40,466)
Total all investments:											
Total investments	4,005,000	3,950,565	7,955,565	560,116	(264,065)	-	8,251,616	3,741,388	(174,870)	-	11,818,134
Less:											
Deferred profit	-	-	-	470,000	-	-	470,000	-	-	-	470,000
Provision for losses	64,859	1,515,545	1,580,404	-	-	698,071	2,278,475	(1,005,000)	-	1,217,219	2,490,694
	64,859	1,515,545	1,580,404	470,000	-	698,071	2,748,475	(1,005,000)	(174,870)	1,217,219	2,960,694
Net investment	$ 3,940,141	2,435,020	6,375,161	90,116	(264,065)	(698,071)	5,503,141	4,746,388	(174,870)	(1,217,219)	8,857,440
Equity in earnings (loss), as above					(264,065)				(174,870)		
Less interest income					24,000				203,477		
Equity in earnings (loss) of subsidiaries					$ (288,065)				(378,347)		

The changes in investments in and advances to subsidiary and affiliated companies since 1968 are summarized as follows:

Year	Beginning balance	Amounts invested	Proceeds of sales	Equity in earnings (loss)	Provision for losses	Deferred profit	Ending balance
1968	$ -	2,000,000	-	-	-	-	2,000,000
1969	2,000,000	2,005,000	-	-	-	-	4,005,000
1970	4,005,000	3,950,565	-	-	(1,580,404)	-	6,375,161
1971	6,375,161	560,116	-	(264,065)	(698,071)	(470,000)	5,503,141
1972	5,503,141	5,746,388	(1,000,000)	(174,870)	(1,217,219)	-	8,857,440

Exhibit B-7

CAPITAL GROWTH COMPANY, S.A.

Notes to Statement of Investments in and Advances to Subsidiary and Affiliated Companies

September 30, 1971 and 1972

(A) Method of Accounting:

Capital Growth Company, S.A. carries its investments in subsidiary and affiliated companies on the equity method of accounting for those companies over which it has control, and on the cost method for those companies over which it does not have operating control. Consolidated financial statements have not been prepared for Capital Growth and its subsidiaries for the two years ended September 30, 1972, as Capital Growth is in the midst of a transition from an investment company to an operating company. Consolidated financial statements may be appropriate for the year ending September 30, 1973.

	Percentage owned September 30		Operating control	Method of accounting
	1971	1972		
Sociedad Agricola Industrial San Cristobal, S.A.	50%	22.258%	No	Cost (a), (c)
Hacienda Cafetalera Santa Elena, S.A.	100	100	Yes	Equity (c)
New World Properties International, Inc.	100	100	Yes	Equity
Universal Venture Capital, S.A.	-	100	Yes	Equity (c)
E.H.C. Enterprises, Inc.	23.09	-	No	Cost
Transcaribbean Real Estate Properties, Inc.	100	-	Yes	Equity
World Real Estate Properties, Inc.	100	100	Yes	Equity
Condominium Developments, Inc.	-	100	Yes	Equity

(a) 50% of the common shares of S.A.I. San Cristobal were owned through July 1972 and the investment is carried at cost less a provision for loss on investments, based on operating losses incurred by such company.

(b) The information regarding equity in earnings (losses) of each subsidiary or affiliated company was based on audited financial statements supplied by such companies except for the following:

(i) S.A.I. San Cristobal issued audited financial statements for its years ended September 30, 1968 through 1971; however, after the audit for the year ended September 30, 1972 was substantially completed, management of San Cristobal requested that the financial statements and accountants' report relating thereto not be finalized and released.

(ii) Hacienda Cafetalera Santa Elena, S.A. and Universal Venture Capital, S.A. have been included as a part of the audit of Capital Growth Company, S.A. for the year ended September 30, 1972, but no separate accountants' reports on these companies' financial statements were issued.

(Continued)

CAPITAL GROWTH COMPANY, S.A.

Notes to Statement of Investments in and Advances to Subsidiary and Affiliated Companies, Continued

(A), Continued:

(iii) World Real Estate Properties, Inc. was not audited, as such company was incorporated solely for the purpose of entering into a transaction with E.H.G. (see note J). World Real Estate Properties, Inc. was not formally capitalized and has not established any books of account. As of June 4, 1973, the date of completion of the audit, management was in the process of returning this investment to E.H.G. Enterprises.

(iv) Management of Condominium Development, Inc. has requested that no examination of that company's financial statements be undertaken as of September 30, 1972. As of June 4, 1973, the date of completion of the audit, management was in the process of returning this investment to E.H.G. Enterprises.

(v) Chambacu and Chira Island Projects are not incorporated entities and no separate financial statements on these projects are issued.

(c) The books of San Cristobal, Santa Elena and Progreso Comercial y Agricola (the principal subsidiary of Universal) are maintained in Costa Rican colones. The financial statement information for each company has been translated into U.S. dollars at the various reporting dates at the appropriate rates of exchange prevailing at those dates. Exchange losses resulting from fluctuations of the colon in relation to the dollar have been recorded in the year of each devaluation.

(B) Sociedad Agricola Industrial San Cristobal, S.A.:

As of September 30, 1968, Capital Growth Fund and a Costa Rican partnership (Sociedad Agricola Industrial San Cristobal, Ltda.) formed a corporation entitled Sociedad Agricola Industrial San Cristobal, S.A. Capital Growth Fund invested $2,000,000 cash and the partnership contributed its net assets consisting of a number of subsidiary companies engaged in coffee growing and processing; timber, lumber and cattle operations; and in manufacturing burlap and polypropelene bags, ropes and twine. The parties to the transaction agreed that such contributed assets (less liabilities), which had an approximate negative book value of $157,000, were to be recorded on the books of the new corporation at $3,000,000. The capitalization of the new corporation immediately after its organization was represented by $1,000,000 in preferred shares and $4,000,000 in common shares of which $2,000,000 was contributed by Capital Growth Fund for 50% of the common shares (for a total equity interest of 40%).

In July 1972, S.A.I. San Cristobal, S.A. underwent a reorganization in which Capital Growth Company, S.A. sold 500,000 shares of its investment back to S.A.I. San Cristobal, S.A. for a $500,000 unsecured 7% promissory note payable in July 1977. In connection with the sale of the 500,000 shares, Capital Growth Company, S.A. had an indicated profit of approximately $232,000 which has been deferred pending collection of the note.

(Continued)

CAPITAL GROWTH COMPANY, S.A.

Notes to Statement of Investments in and Advances to Subsidiary and Affiliated Companies, Continued

In addition to the redemption of the 500,000 shares of stock owned by Capital Growth Company, S.A., the preferred shareholders of S.A.I. San Cristobal, S.A. exchanged their 1,000,000 preferred shares for a like number of common shares. As part of the reorganization in July 1972, notes and/or shares were also issued by S.A.I. San Cristobal, S.A. as follows:

(a) $1,500,000 7% notes payable July 1975 to 1977 to International Investment Trust (Luxemburg) S.A. for cash.

(b) 325,000 common shares, issued on conversion of note at $2 a share to International Investment Trust (Luxemburg) S.A.

(c) 500,000 common shares issued at $1 a share to International Investment Trust (Luxemburg) S.A. for cash.

(d) Option to purchase 900,000 common shares at $1 a share issued to an individual related to the president of San Cristobal, expiring August 19, 1976, for no consideration.

(e) Warrants to purchase 1,000,000 common shares issued to International Investment Trust (Luxemburg) S.A. in bearer form and expiring December 31, 1976 at $1 a share.

In connection with the International Investment Trust (Luxemburg) S.A. financing, S.A.I. San Cristobal, S.A. paid commissions aggregating $150,000, which amount has been deferred and is being amortized over the term of the loan.

After completion of the foregoing reorganization and recapitalization Capital Growth Company, S.A. owned a 32.258% equity interest in S.A.I. San Cristobal, S.A. represented by 1,500,000 shares of common stock.

(C) Hacienda Cafetalera Santa Elena, S.A.:

As of September 30, 1970, Capital Growth Real Estate Fund, Inc. purchased from S.A.I. San Cristobal, S.A. all of the shares of Hacienda Cafetalera Santa Elena Ltda. which had a net book value of $976,149 at the time of the acquisition and included a write-up of approximately $1,417,000 on the revaluation of assets contributed by the partnership, Sociedad Agricola Industrial San Cristobal, Ltda., to the corporation, Sociedad Agricola Industrial San Cristobal, S.A., on formation of the latter in 1968, as described in note (B) above.

The purchase price was originally agreed at $3,950,000 payable in ten-year debentures (which debentures were issued but never given to San Cristobal) of Capital Growth Real Estate Fund, Inc. However, on December 10, 1970, 251,141 shares of Capital Growth Real Estate Fund, Inc. and 400,000 shares of Capital Growth Management Company Limited (to which management ascribed a value of $2,750,000 and $1,200,000, respectively), were substituted for the $3,950,000 of

CAPITAL GROWTH COMPANY, S.A.

Notes to Statement of Investments in and Advances to Subsidiary and Affiliated Companies, Continued

(C), Continued:

debentures. The shares of Capital Growth Real Estate Fund were exchanged for 632,122 shares of Capital Growth Company, S.A. on August 12, 1971 (date of acquisition of Capital Growth Real Estate Fund, Inc.) and sold to that company (as treasury shares) in November 1971 (as of September 30, 1971) for $2,000,000 cash. The shares of Capital Growth Management Company Limited were written off as worthless by San Cristobal as of September 30, 1971 because of Capital Growth Management Company's inability to effect collection of amounts due from New Providence Securities Limited, which constituted substantially all of Capital Growth Management Company's assets. In its September 30, 1971 financial statements, San Cristobal restated, retroactive to September 30, 1970, the sale of Santa Elena to reflect a receivable from Capital Growth for the adjusted price of $2,000,000. S.A.I. San Cristobal received $1,300,000 in cash; the balance of $700,000 represented a commission of $450,000 paid to Sociedad Agricola Industrial y Comercial, S.A., an unrelated company and a contract valued at $250,000 with Compania Ganadera San Cristobal, Ltda., the personal ranch in Costa Rica of the chief executive officer of Capital Growth Company, S.A., under which such company undertook to supply lumber to Cordeles y Textiles, S.A., a subsidiary of S.A.I. San Cristobal. Capital Growth Real Estate Fund, Inc. also paid commissions of $348,000 to Capital Growth Management Company Limited, as broker, and $50,000 to an individual, as finder, which individual also acted as finder in other investment situations (see note G, Exhibit B-7).

In 1972, Capital Growth Company, S.A. advanced $1,040,000 cash to Santa Elena, with interest of 8% per annum, for working capital purposes.

(D) Chambacu and Chira Island Projects:

The investment in Chambacu and Chira Island Projects at September 30, 1972 consists of the following elements:

	Cost	Accumulated amortization	Provision for losses	Net investment
Land at Chambacu, Costa Rica	$ 76,970	-	76,970	-
Improvements to Chambacu land	36,520	-	27,119	9,401
Cost of 100% of share capital of Oficina Tecnica Asesora de Comunicacion Colectiva S.A.	75,190	-	75,190	-
Ten-year land lease at Chira Island, Costa Rica, from May 1970	63,276	15,292	-	47,984
Legal and other expenses related to the above	28,529	-	28,529	-
	$ 280,485	15,292	207,808	57,385

(Continued)

CAPITAL GROWTH COMPANY, S.A.

Notes to Statement of Investments in and Advances to Subsidiary and Affiliated Companies, Continued

The purchase of undeveloped land at Chambacu, which was made in 1970 through three intermediaries, was rescinded by mutual agreement with the Costa Rican Government in the following year. The funds received by the Government ($76,970) in payment for the undeveloped land are being held in escrow pending the outcome of legal proceedings instituted by one of the three intermediaries. Management is unable to determine the eventual outcome of such proceedings; therefore, a provision for losses has been recorded to cover the cost of this investment. In connection with the above matter, an agency of the Costa Rican Government has agreed to reimburse Capital Growth, S.A. for $9,401 of the improvements made to the Chambacu land. The $75,190 contributed as share capital to Oficina Tecnica Asesora de Comunicacion Colectiva S.A. was expended in making arrangements for the purchase of the Chambacu property; such amount has been fully reserved since the company is inactive and has no assets.

The cost of the land lease at Chira Island is being amortized on a straight-line basis over ten years. Management is of the opinion that while it has no current plans for use of the leasehold, the right to use the property is virtually perpetual and at some later date may have a use for the lease.

(E) New World Properties International Inc.:

New World Properties International Inc. was incorporated on April 28, 1970 in the State of Florida, U.S.A. The total share capital of $10,000 was paid on that date by Capital Growth Real Estate Fund, Inc. On May 8, 1970, New World Properties International Inc. purchased an existing apartment building in Pensacola, Florida for a total consideration of $593,000, consisting of cash payments of $105,000 and the balance by assumption of mortgages. In connection with this purchase, New World Properties International Inc. paid a commission of $35,580, representing 6% of the gross purchase consideration, to Capital Growth Management Company Limited. Capital Growth Company, S.A. and its predecessor made cash advances to New World Properties International Inc. of $172,156; $61,591 and $115,000 during the years ended September 30, 1970, 1971 and 1972, respectively. The advances made in 1970 and 1971 have been recorded by New World Properties International Inc. as additional paid-in capital, and the advances made in 1972 represent a loan which bears interest at an annual rate of 8%.

(F) Universal Venture Capital, S.A.:

Universal Venture Capital, S.A. was incorporated in Panama on January 26, 1972 as a wholly-owned subsidiary of Capital Growth Company, S.A. Universal's principal business, which is conducted through its subsidiary, Progreso Comercial y Agricola, S.A., is the operation of two adjoining beef cattle ranches of approximately 14,000 acres in Costa Rica. These two ranches are known as the Chapernal Division. Universal also conducts a market making function in the bearer preferred shares of Capital Growth Company, S.A. in Beirut, Lebanon, and it conducts a vehicle distribution business through A.T.V. Sales International, S.A., a subsidiary. Progreso and A.T.V. Sales are incorporated in Costa Rica and Panama, respectively.

(Continued).

CAPITAL GROWTH COMPANY, S.A.

Notes to Statement of Investments in and Advances to Subsidiary and Affiliated Companies, Continued

(F), Continued:

Progreso Comercial y Agricola, S.A.:

In addition to the ranching function, the company operates a vehicle dealership for A.T.V. Sales International, S.A., performs certain mortgage financing services pursuant to an agreement with Compania Nacional Financiera, S.A. of Costa Rica and has financed the operations of a small oil recycling plant in Costa Rica for approximately $44,000.

Chapernal Division:

Chapernal Ranch was purchased on July 18, 1972 from Hacienda Chapernal Ltda. for $3,000,000 in cash. The acquired assets included land, cattle, growing crops, fixtures, etc. Bonanza Ranch was purchased on August 10, 1972 from Hacienda Bonanza Ltda. for $255,000 in cash. Management allocated the total purchase price of $3,255,000 to the various assets acquired. Subsequent to September 30, 1972, the assets were appraised by a local appraiser at an aggregate amount not materially different from the total recorded amounts and no changes were made in the detailed recorded amounts, which in the aggregate approximated the appraisal. The person through whom a substantial amount of cattle was purchased for Chapernal was subsequently hired to manage the Charolais cattle operations. The major portion of the consolidated loss from operations of Universal is attributable to the losses incurred by the Chapernal Division from the dates of its acquisition.

During the same period, Chapernal sold cattle to the personal ranch of C. W. McAlpin for $22,628, resulting in a loss of $17,922 (based on recorded book value of such cattle), which sales price had not been settled or collected at September 30, 1972. Chapernal also purchased cattle from C. W. McAlpin's ranch during the period for $61,047 cash.

Market Making Activities:

During the period commencing March 1972, Universal purchased 62,231 bearer preferred shares of Capital Growth Company, S.A. at a cost of $72,613 and sold 45,486 shares for $58,422 (cost of $51,957).

At September 30, 1972, Universal owned 16,745 shares of Capital Growth preferred stock purchased at an aggregate cost of $20,656. Such shares are being held for resale and are not included as treasury shares in the financial statements of Capital Growth Company, S.A.

A.T.V. Sales International, S.A.:

A.T.V. Sales International, S.A., which is headquartered in Costa Rica, is in the business of selling all-terrain vehicles. Such business does not represent a significant part of Universal Venture Capital's operations. Subsequent to September 30, 1972, the operations of this subsidiary were phased out.

(Continued)

CAPITAL GROWTH COMPANY, S.A.

Notes to Statement of Investments in and Advances to Subsidiary and Affiliated Companies, Continued

(L) E. H. G. Enterprises, Inc.:

E. H. G. Enterprises, Inc. was incorporated on February 12, 1969 in the commonwealth of Puerto Rico by Enrique H. and Ariel E. Gutierrez, as a real estate and architectural firm whose principal function was the development of condominium-hotel apartment buildings. On September 10, 1969, Capital Growth Fund subscribed to 200,000 shares of E. H. G. for a cash payment of $2,005,000 representing a 23.09% equity interest therein. The terms of the subscription agreement required that Capital Growth Fund would not sell its shares for a period of three years and that New Providence Securities Limited would receive $100,000 as a brokerage commission. As of the date of purchase, Capital Growth paid approximately $1,400,000 in excess of its equity interest in such company. In connection with the investment, the founders of E. H. G. agreed to transfer 10,000 of their own shares to an individual who acted as finder, which individual also acted in the capacity of a salesman of Capital Growth shares from time to time and also received other fees as finder (see note C, Exhibit B-7).

On September 14, 1972,Capital Growth Company, S.A. sold its 200,000 shares of E. H. G. to Ariel E. Gutierrez through an intermediary, and received $1,000,000. At the date of sale, E. H. G. had total shareholders' equity approximating $5,400,000 as compared to approximately $2,700,000 immediately after Capital Growth's investment in 1969. The loss to Capital Growth Company, S.A. amounted to $1,005,000 and has been recognized in 1972, the year of sale.

(M) Transcaribbean Real Estate Properties, Inc.:

On December 12, 1969, Transcaribbean Real Estate Properties, Inc., a recently organized corporation and a wholly-owned subsidiary of Capital Growth Real Estate Fund, Inc., acquired an undivided 50% common share interest in four parcels of undeveloped land, located at Carolina Ward, Puerto Rico (referred to as Coral Beach North and Coral Beach South) from Condotel, Inc., a subsidiary of E. H. G. Enterprises, Inc. The purchase consideration was $480,000 cash and the assumption of mortgages on the property of $2,520,000, resulting in a book profit to Condotel, Inc. of approximately $330,000. In connection with the acquisition, Capital Growth Management Company Limited received a 6% commission of $180,000 (based on gross sales price of $3,000,000) from Capital Growth Real Estate Fund, Inc. for arranging the purchase of Transcaribbean.

Capital Growth Real Estate Fund's investment in Transcaribbean amounted to $1,130,000, as follows:

Exhibit B-7, Cont.

CAPITAL GROWTH COMPANY, S.A.

Notes to Statement of Investments in and Advances to Subsidiary and Affiliated Companies, Continued

Capital paid in (2,000 shares)	$ 20,000
Cash advances:	
December 1969	480,000
March 1970	200,000
April 1970	580,000
	1,280,000
Refund of advance - July 1970	150,000
	$ 1,130,000

The advance was refunded to Capital Growth Management Company Limited in July 1970 and eventually refunded to Capital Growth Real Estate Fund, Inc. by such company in December 1970 without interest.

Pursuant to a stock purchase agreement dated August 1, 1971 between Capital Growth Real Estate Fund, Inc. and Golden Beach Apartments Corporation (formerly Condotel, Inc.), Capital Growth Real Estate Fund, Inc. sold its 2,000 shares of Transcaribbean (all of the issued and outstanding stock) for $1,600,000 of 9% notes of Golden Beach Apartments Corporation payable as follows:

Amount	Due date for principal and accrued interest (see note I below)
$ 500,000	Dec. 31, 1971
250,000	" 31, 1972
260,000	" 31, 1973
590,000	" 31, 1974
$ 1,600,000	

The profit of $470,000 recorded by Capital Growth Real Estate Fund, Inc. on the sale of Transcaribbean to Golden Beach has been deferred pending collection of the notes.

(I) Golden Beach Apartments Corporation:

The notes receivable from Golden Beach Apartments Corporation, taken on the sale of Transcaribbean Real Estate Properties, Inc. (see note H) were extended by an agreement dated February 25, 1972, as follows:

CAPITAL GROWTH COMPANY, S.A.

Notes to Statement of Investments in and Advances to Subsidiary and Affiliated Companies, Continued

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Amount	Original maturity	Extended maturity
$ 500,000	Dec.31,1971	Aug.31,1972
250,000	" 31,1972	" 31,1973
260,000	" 31,1973	" 31,1974
590,000	" 31,1974	" 31,1975
$ 1,600,000		

On November 20, 1972, Capital Growth Company, S.A. deposited $552,500 representing payment of the first maturity with accrued interest.

(J) World Real Estate Properties, Inc.:

World Real Estate Properties, Inc. was incorporated on September 3, 1971 in the Commonwealth of Puerto Rico as a wholly-owned subsidiary of Capital Growth Company, S.A.

On September 6, 1971 it purchased a 50% undivided interest in undeveloped property located in Carolina, Puerto Rico, known as "Lagoon Marine," from Laguna Gardens II, Inc., a wholly-owned subsidiary of E. H. G. Enterprises, Inc. for a $1,189,048 promissory note payable on May [illegible], 1973 with interest of 7%. In connection with the transaction, Laguna Gardens II, Inc. realized a book profit of approximately $600,000 according to the financial statements of E. H. G. Enterprises, Inc. for the year ended July 31, 1971.

No capital has been paid in to nor have financial books been set up for World Real Estate Properties, Inc.,and at September 30, 1971 and 1972, Capital Growth Company's equity in the net losses of World Real Estate Properties is equal to the accrued interest on the unpaid note. World Real Estate Properties was set up by Capital Growth solely to enter into the aforementioned transaction with E. H. G.

According to the Deed of Purchase and Sale dated September 6, 1971, the property, "Lagoon Marine" is subject to the following liens and encumbrances:

(i) a first mortgage lien of $550,000 due on July 1, 1973, bearing interest at the rate of 12% per annum, executed on July 1, 1971.

(ii) a second mortgage lien to guarantee the payment of a mortgage note, payable to bearer on demand, which has been endorsed to a bank, amounting to $750,000, bearing interest at the rate of 8% per annum, executed on November 4, 1968, and

(iii) a third mortgage lien to guarantee the payment of a mortgage note, payable to bearer on demand, bearing interest at the rate of 9% per annum, executed on February 19, 1971.

(Continued)

Exhibit B-7,Cont.

CAPITAL GROWTH COMPANY, S.A.

Notes to Statement of Investments in
and Advances to Subsidiary and
Affiliated Companies, Continued

The agreement stipulated that the second and third mortgage notes were not indebtedness of the seller, but were liens encumbering the property as collateral security guaranteeing the payment of debts of affiliated companies of the seller, while the first mortgage was an obligation to be paid by seller in its entirety on its due date.

In addition, World Real Estate Properties entered into a repurchase agreement with Laguna Gardens II, Inc. whereby World Estate Properties had an option to sell the properties back to Laguna Gardens II, Inc. for an aggregate price of $2,839,682, at any time to February 1, 1973, which option subsequently expired.

(f) Condominium Developments, Inc.:

Pursuant to the terms of a Stock Purchase Agreement dated February 25, 1972 between E. H. G. Enterprises, Inc. and Capital Growth Company, S.A., Capital Growth purchased all of the outstanding shares of Condominium Development Corp. for $20,000. Condominium Development Corp. was the owner of a certain parcel of property in Condado Santurce, Puerto Rico, which was free and clear of all liens and encumbrances except for a 10% mortgage note, dated June 4, 1968, which had an unpaid principal amount of $4,898,925 and a 10% mortgage note, dated January 14, 1971, payable on demand, which had an unpaid balance of $531,812.

As part of the purchase, Capital Growth agreed that in the event the seller is required to pledge the shares of Condominium Development Corp. with E. H. G. Financial Corp., owner of the first mortgage on the parcel, Capital Growth would deliver such shares in pledge, to E. H. G. Financial Corp. or assignee and would appoint the seller as its attorney in fact with the broadest possible powers to pledge the shares under whatever terms and conditions the seller deems advisable for benefit of Condominium Development Corp.

On February 25, 1972, E. H. G. Financial Corp. requested Capital Growth Company, S.A. to deliver its shares of Condominium Development Corp. for pledge with Continental Mortgage Investors as additional collateral for the loan of $4,898,925 to E. H. G. Financial Corp., by Continental, which amount was then loaned to Condominium Development Corp. The mortgage agreement represents a collateral security to a loan constituted in favor of Condado Center, Inc., a subsidiary of E. H. G. Enterprises Inc. and not a liability of Condominium Development Corp.

The unaudited condensed financial statements of Condominium Development Corp. at January 31, 1972 indicated total assets of $7,110,965, which included $6,579,964 of apartments held for resale, and total liabilities of $7,151,431, indicating a stockholders' deficiency of $40,466 at approximately the date of purchase. Capital Growth Company does not have any more current financial data concerning its investment as the books of Condominium Development are maintained by the seller.

CAPITAL GROWTH COMPANY, S.A.

Statement of Investments in Marketable Securities

September 30, 1971 and 1972

(expressed in U.S. dollars)

Name	Number of shares 1971	Number of shares 1972	Cost (a) 1971	Cost (a) 1972	Market value (b) 1971	Market value (b) 1972
Allied Maintenance Corp.	18,600	5,488	$ 640,006	224,175	674,250	211,974
Allright Auto Parks	-	14,001	-	298,583	-	189,014
American Building Maintenance	-	10,000	-	489,972	-	463,750
Beneficial Standard Mortgage Co. warrants	-	54,100	-	315,303	-	344,887
Canadian International Power Company Limited	20,000	-	483,641	-	455,000	-
Crown Cork & Seal Company, Inc.	20,000	-	401,960	-	380,000	-
Ecological Sciences Corp.	5,000	5,000	79,801	79,801	-	-
Flagg Industries Inc.	10,000	-	270,138	-	120,000	-
Golden West Financial Corp.	-	30,000	-	538,398	-	675,000
La Maur, Inc. (c)	115,000	87,200	3,532,568	2,677,912	1,595,625	1,133,600
Loew's Corporation	15,000	-	824,184	-	738,750	-
Monroe Auto Equipment Company	3,300	-	220,759	-	236,363	-
Penn Fruit Co. Inc.	10,000	30,000	209,805	501,067	153,750	270,000
Tandy Corporation	20,000	-	677,965	-	657,500	-
Trans World Airlines	-	9,900	-	456,755	-	404,663
Unionamerica, Incorporated	10,200	-	283,793	-	284,325	-
U. S. Tobacco Company	-	10,000	-	203,454	-	181,250
			$ 7,624,620	5,785,320	5,295,563	3,874,138

(a) The cost of each investment has been determined on an average cost basis.

(b) Market value represents the last sales price as of the above dates except for Ecological Sciences Corp. in which trading has been suspended; this security has been assigned no value. As of June 4, 1973, the date of the accompanying accountants' report, the shares of this Company were trading in limited quantities in the over-the-counter market.

(c) The investment in La Maur, Inc. was valued based on its closing prices on the American Stock Exchange at September 30, 1971 and 1972, represented approximately 6.4% of the outstanding shares of the company at September 30, 1972 and is significantly in excess of the average monthly trading volume in this security. The realizable value of such investment is dependent on future events which can not be readily determined on a current basis.

NEW PROVIDENCE SECURITIES LTD., S.A.
AND
NEW PROVIDENCE SECURITIES (BAHAMAS) LIMITED AND SUBSIDIARIES

Balance Sheets

September 30, 1971 and 1972
with comparative figures at December 31, 1969

(expressed in U.S. dollars)

	New Providence Securities (Bahamas) Limited and Subsidiaries			New Providence Securities Ltd., S.A.	Combined
Assets	Dec.31,1969	Sep.30,1971	Sep.30,1972	Sep.30,1972	Sep.30,1972 (note A)
Current assets:					
Cash	$ 132,781	97,830	2,357	130,071	132,428
Deposits	47,240	12,500	12,341	-	12,341
Accounts and loans receivable, net of allowance for losses (note B)	1,119,152	79,947	53	72,186	72,239
Total current assets	1,299,173	190,277	14,751	202,257	217,008
Investment in Capital Growth Company, S.A. (note 3)	-	100	-	100	100
Other investments	10,000	-	-	-	-
Property and equipment at cost, net of accumulated depreciation and amortization (note C)	817,008	28,440	-	6,452	6,452
Intangible assets, net of accumulated amortization (note D)	1,131,347	-	-	-	-
	$ 3,257,528	218,817	14,751	208,809	223,560
Liabilities and Shareholders' Deficit					
Current liabilities:					
Payable to Capital Growth Company, S.A. (note 3)	1,168,089	3,166,915	3,156,691	-	3,156,691
Loans and advances (note E)	1,574,322	-	-	500,000	500,000
Payable for shares of Capital Growth Company, S.A. (note 3)	-	100	-	100	100
Dividend payable	180,219	-	-	-	-
Other payables and accrued expenses	792,291	115,394	12,957	119,092	132,049
Total current liabilities	3,714,921	3,282,409	3,169,648	619,192	3,788,840
Minority interest (note F)	-	24,435	24,435	-	24,435
Shareholders' deficit (Exhibit C-2)	(457,393)	(3,088,027)	(3,179,332)	(410,383)	(3,589,715)
	$ 3,257,528	218,817	14,751	208,809	223,560

See accompanying notes to financial statements (Exhibit C-5); numerical notes refer to notes accompanying the financial statements of Capital Growth Company, S.A. (Exhibit B-5).

NEW PROVIDENCE SECURITIES LTD., S.A.
AND
NEW PROVIDENCE SECURITIES (BAHAMAS) LIMITED AND SUBSIDIARIES

Statement of Shareholders' Deficit

September 30, 1971 and 1972
with comparative figures at December 31, 1969

(expressed in U.S. dollars)

	New Providence Securities (Bahamas) Limited and Subsidiaries			New Providence Securities Ltd., S.A.	Combined
	Dec.31,1969	Sep.30,1971	Sep.30,1972	Sep.30,1972	Sep.30,1972 (note A)
Capital shares (note G):					
New Providence Securities (Bahamas) Limited:					
Class A, par value $1.00 a share, 1,000,000 shares authorized; issued 604,570 fully paid shares and 215,782 partially paid shares	$ 798,057	798,057	798,057	-	798,057
Class B, par value $1.00 a share, 1,000,000 shares authorized and issued	1,000,000	1,000,000	1,000,000	-	1,000,000
New Providence Securities Ltd., S.A.:					
Class A, par value $.10 a share, authorized 1,000,000 shares; issued 856,771 shares	-	-	-	-	-
Class B, par value $.10 a share, authorized 1,000,000 shares; issued 998,800 shares	-	-	-	-	-
Total capital stock	1,798,057	1,798,057	1,798,057	-	1,798,057
Additional paid-in capital (note G)	929,881	991,482	991,482	-	991,482
Paid-in capital arising in consolidation	-	154,343	154,343	-	154,343
Accumulated earnings (deficit) - (Exhibit C-3)	(3,179,659)	(5,488,590)	(5,579,895)	98,681	(5,481,214)
	(451,721)	(2,544,708)	(2,636,013)	98,681	(2,537,332)
Treasury shares, at cost (note H)	(5,672)	(543,319)	(543,319)	(509,064)	(1,052,383)
Total shareholders' deficit (Exhibit C-1)	$ (457,393)	(3,088,027)	(3,179,332)	(410,383)	(3,589,715)

See accompanying notes to financial statements (Exhibit C-5).

NEW PROVIDENCE SECURITIES LTD., S.A.
AND
NEW PROVIDENCE SECURITIES (BAHAMAS) LIMITED AND SUBSIDIARIES

Statement of Operations and Deficit

Twenty-one months ended September 30, 1971 and year ended September 30, 1972
with comparative figures for year ended December 31, 1969

(expressed in U.S. dollars)

	New Providence Securities (Bahamas) Limited and Subsidiaries			New Providence Securities Ltd., S.A.	
	Year ended Dec.31,1969	21 months ended Sep.30,1971	Year ended Sep.30,1972	Oct.15,1971 (Inception) to Sep.30,1972	Combined Sep.30,1972 (note A)
Income:					
Fees from Capital Growth Company, S.A. (note 3)	$ 2,883,858	2,746,596	36,170	577,868	614,038
Commissions received on sales of mutual fund shares, less amounts paid to dealers	520,450	130,799	3,709	-	3,709
Recognition of give-up income received in prior periods (note D)	-	290,000	-	-	-
Interest and other	105,430	175,304	5,392	-	5,392
Total income	3,509,738	3,342,699	45,271	577,868	623,139
Expenses:					
Salaries and related costs (note I)	1,382,859	1,538,382	83,936	171,823	255,759
Selling and promotion (note I)	925,935	684,785	15,867	54,730	70,597
Dealer and employees bonus payments	386,759	538,211	-	-	-
Bank charges and interest	187,722	530,901	13,170	-	13,170
Insurance payments and claims (note J)	189,823	667,537	14,776	88,410	103,186
Allowance for doubtful collections (note B)	600,276	227,090	-	-	-
General and administrative (note I)	983,070	1,181,842	15,217	98,711	113,928
Loss on sale or write-off of fixed assets (note C)	-	242,684	18,610	-	18,610
Write-off of intangible assets (note D)	-	997,200	-	-	-
Liquidation cost of predecessors management companies	-	-	(25,000)	65,513	40,513
Total expenses	4,656,444	6,608,632	136,576	479,187	615,763
Net profit (loss) from operations before minority interest	(1,146,706)	(3,265,933)	(91,305)	98,681	7,376
Minority interest in net loss (note F)	-	957,002	-	-	-
Net profit (loss) from operations	(1,146,706)	(2,308,931)	(91,305)	98,681	7,376
Accumulated deficit at beginning of period	(1,490,312)	(3,179,659)	(5,488,590)	-	(5,488,590)
Dividends	(542,641)	-	-	-	-
Accumulated earnings (deficit) at end of period (Exhibit C-2)	$ (3,179,659)	(5,488,590)	(5,579,895)	98,681	(5,481,214)
Net profit (loss) per share of Class A and B shares (average of beginning and ending shares)	$ (.65)	(1.27)	(.05)	.05	-

See accompanying notes to financial statements (Exhibit C-5); numerical notes refer to notes accompanying the financial statements of Capital Growth Company, S.A. (Exhibit B-5).

Exhibit C-4

NEW PROVIDENCE SECURITIES LTD., S.A.
AND
NEW PROVIDENCE SECURITIES (BAHAMAS) LIMITED AND SUBSIDIARIES

Statement of Changes in Financial Position

Twenty-one months ended September 30, 1971
and year ended September 30, 1972

(expressed in U.S. dollars)

	1971	Combined 1972 (note A)
Funds provided:		
Net increase in advances from Capital Growth Company, S.A.	$ 1,998,826	(10,224)
Fees from Capital Growth Company, S.A. (Exhibit C-3)	2,746,596	614,038
Funds provided by Capital Growth Company, S.A.	4,745,422	603,814
Increase in paid-in capital (note G)	61,601	-
Additional paid-in capital from sale of shares of Capital Growth Management Company Limited (note F)	178,778	-
Net reduction in fixed assets accounts (note C)	357,411	(6,792)
Long-term note payable	-	500,000
Total funds provided	$ 5,343,212	1,097,022
Funds applied:		
Net loss (profit) from operations (Exhibit C-3)	2,308,931	(7,376)
Add fees from Capital Growth Company, S.A. shown above (Exhibit C-3)	2,746,596	614,038
	5,055,527	606,662
Less principal noncash items:		
Write-off of intangibles (note D)	1,141,347	-
Write-off of fixed assets (note C)	431,157	(28,780)
Give-up income received in prior years (note E)	(290,000)	-
	3,773,023	577,882
Acquisition of treasury shares (note H)	537,647	509,064
Investment in Capital Growth Company, S.A. (note 3)	100	-
Reduction in net current liabilities other than advances from Capital Growth Company, S.A.	1,032,442	10,076
Total funds applied	$ 5,343,212	1,097,022

See accompanying notes to financial statements (Exhibit C-5); numerical note refers to notes accompanying the financial statements of Capital Growth Company, S.A. (Exhibit B-5).

Exhibit C 5

NEW PROVIDENCE SECURITIES LTD., S.A.
AND
NEW PROVIDENCE SECURITIES (BAHAMAS) LIMITED AND SUBSIDIARIES

Notes to Financial Statements

(A) Principle of Consolidation and Presentation:

The consolidated financial statements of New Providence Securities (Bahamas) Limited include all its wholly- and majority-owned subsidiaries (see chart in Exhibit A-2). All intercompany balances and transactions have been eliminated in consolidation. The books of Capital Growth Services Limited and Capital Growth Distributors A. G. are kept in Pounds Sterling and Swiss Francs, respectively. For purposes of the accompanying financial statements the foreign currencies have been translated to dollars at the appropriate rates of exchange.

The fiscal 1972 figures in the financial statements of New Providence Securities Ltd., S.A. and New Providence Securities (Bahamas) Limited and subsidiaries have been combined in the accompanying financial statements inasmuch as each company is owned by virtually the same group of shareholders.

(B) Receivables and Allowance for Losses:

	Balance	Accounts receivable	Loans to investors	Advances to dealers	Advances to employees and affiliates	Capital Growth Company, S.A.
Receivables:						
December 31, 1969	$ 1,354,152	423,816	736,550	193,786	-	-
September 30, 1971	$ 422,037	19,092	94,223	208,888	38,979	60,855
September 30, 1972	$ 414,329	53	94,223	208,888	38,979	72,186
Allowance for losses:						
December 31, 1969	235,000	-	120,000	115,000	-	-
Charged off in 1971	(120,000)	-	(120,000)	-	-	-
Net addition in 1971	227,090	-	94,223	93,888	38,979	-
September 30, 1971 and 1972	$ 342,090	-	94,223	208,888	38,979	-

Loans to investors, which are fully reserved at September 30, 1972, were originally made to finance the purchase of shares by such investors in either Capital Growth Fund or Capital Growth Real Estate Fund, Inc. Included in the balance of $94,223 is an amount due from a director of Capital Growth Company, S.A. of approximately $48,000.

The advances to employees and affiliates, which are fully reserved at September 30, 1972 includes approximately $9,000 due from two directors of Capital Growth Company, S.A.

The above receivables have been fully reserved because management has determined that they are not recoverable and decided to write them off.

(Continued)

NEW PROVIDENCE SECURITIES LTD., S.A.
AND
NEW PROVIDENCE SECURITIES (BAHAMAS) LIMITED AND SUBSIDIARIES

Notes to Financial Statements, Continued

(C) Property and Equipment and Accumulated Depreciation:

	Balance at beginning	Additions	Retirements	Balance at end
Property and equipment:				
21 months ended September 30, 1971:				
Motor vehicles, office furnishings and equipment and leasehold improvements	$ 569,577	1,402	528,062	42,917
Motor yacht "give-up"	451,673	-	451,673	-
	$ 1,021,250	1,402	979,735	42,917
Year ended September 30, 1972:				
Furnishings and equipment	$ 42,917	6,792	42,917	6,792
Accumulated depreciation:				
21 months ended September 30, 1971:				
Motor vehicles, office furnishings and equipment and leasehold improvements	$ 136,569	188,473	310,565	14,477
Motor yacht "give up"	67,673	-	67,673	-
	$ 204,242	188,473	378,238	14,477
Year ended September 30, 1972:				
Furnishings and equipment	$ 14,477	340	14,477	340

Depreciation of $188,473 and $340 was charged to general and administrative expenses in 1971 and 1972, respectively.

Loss on sale or write-off of fixed assets amounted to $242,684 during the 21 months ended September 30, 1971 and $18,610 during the year ended September 30, 1972. Included in the 1971 loss is $164,000 relating to the sale of the motor yacht, after a payment of $70,000 to FIVA, Ltd. in consideration of cancelling the charter agreement on the yacht, and a commission of $20,000 to a broker.

(D) Intangible Assets:

	Balance Dec.31,1969	21 months ended September 30, 1971 Amortized	Written-off	Balance Sep.30, 1971 and 1972
Excess of purchase consideration of shares of New Providence Securities Limited over net assets at date of acquisition	$ 997,200	-	997,200	-
Development expenses of New Providence Securities Limited, less amortization of $198,790 to December 31, 1969	132,527	132,527	-	-
Formation expenses of subsidiary, less amortization	1,620	1,620	-	-
	$ 1,131,347	134,147	997,200	-

(Continued)

NEW PROVIDENCE SECURITIES LTD., S.A.
AND
NEW PROVIDENCE SECURITIES (BAHAMAS) LIMITED AND SUBSIDIARIES

Notes to Financial Statements, Continued

The excess of purchase consideration of shares of New Providence Securities Limited over net assets at date of acquisition has been written-off because the company is inactive and has virtually no assets.

(F) Loans and Advances Payable:

		Bank loans payable					
	Total	Advanced to investors (i)	Other (ii)	9-1/2% unsecured note payable (iii)	Overdraft	Loans from officer (iv)	Other loans (v)
Balance at 12/31/69	$ 1,574,322	693,232	290,000	-	(11,528)	269,562	310,000
Repayments	(1,195,322)	(693,232)	-		(11,528)	(269,562)	(221,000)
Amounts taken into income	(379,000)	-	(290,000)	-	-	-	(89,000)
Balance at 9/30/71	-	-	-	-	-	-	-
Additions	500,000	-	-	500,000	-	-	-
Balance at 9/30/72	$ 500,000	-	-	500,000	-	-	-

(i) Bank loans advanced to investors:
Funds borrowed from banks were advanced to investors of Capital Growth Fund to purchase shares of the Fund and were secured by the certificates of investment in the Fund, which had been deposited with the banks concerned.

(ii) Other Bank loan:
In connection with this bank loan, an action for recovery of this loan was brought against New Providence Securities Limited in 1969 by the Trustee for the plaintiffs, which are in liquidation. The company has issued a general denial and has filed a counter claim for an amount estimated to be in excess of $200,000 in respect of certain commission give-ups. Counsel for the company is of the opinion that the liability, if any, would not be substantial. Accordingly, management has determined that there is no need to repay the loan, and has included the amount in income during the period ended September 30, 1971.

(iii) 9-1/2% Unsecured note payable:
The 9-1/2% unsecured note is payable in equal monthly instalments to Sonafin Anstalt, a bank in Lichtenstein, over an eight-year period commencing on October 15, 1972, and was used to acquire 45,000 shares of New Providence Securities Ltd., S.A. Class A shares.

(iv) Loans from officer:
These loans were offset against advances made to the officer through September 30, 1971.

(v) Other loans:
The loan payable at December 31, 1969 represented the net unpaid balance of amounts advanced by E.H.G. Enterprises in 1969. Through September 30, 1971,the balance and accrued interest was paid except for $89,000 which was taken into special commission revenue as charter hire for the yacht "give-up" which at the time was under lease to FIVA Ltd.

(Continued)

NEW PROVIDENCE SECURITIES LTD., S.A.
AND
NEW PROVIDENCE SECURITIES (BAHAMAS) LIMITED AND SUBSIDIARIES

Notes to Financial Statements, Continued

(F) Minority Interest:

	Minority interest in Capital Growth Management Company Limited			
	Total	Capital stock	Paid-in capital	Deficit
Balance at September 30, 1971 and 1972	$ 24,435	186,029	795,408	(957,002)

The principal portion of the loss of Capital Growth Management Company Limited is attributable to a receivable from New Providence Securities Limited, the collection of which appears unlikely, as the financial statements of that company indicate liabilities significantly in excess of its assets.

The minority interests in Capital Growth Management Company Limited is unchanged at September 30, 1972 as operations of that company were terminated effective on completion of the merger of Capital Growth Real Estate Fund, Inc. into Capital Growth Company, S.A. on August 12, 1971.

(G) Capital Shares:

New Providence Securities Ltd., S.A. issued Class A nonvoting and Class B voting shares, on a share-for-share basis to the holders of the fully- and partially-paid Class A shares (the amount partially paid not being significant) of New Providence Securities (Bahamas) Limited, certain shareholders of Capital Growth Management Company Limited and to the holders of Class B shares of New Providence Securities (Bahamas) Limited. Management believes no monetary value was required to be assigned to such shares inasmuch as the only consideration received by New Providence Securities Ltd., S.A. was the right to enter into a management contract with Capital Growth Company, S.A. on terms substantially comparable to those with the predecessor company. New Providence Securities Limited resigned from its contract with Capital Growth Company, S.A. effective October 15, 1971, and its successor immediately entered into a 20-year management contract on the same date. Action has since been taken to commence dissolution of certain of the old companies.

As of September 30, 1972, New Providence Securities Ltd., S.A. was obligated to purchase certain of its Class A shares for approximately $33,000. The commitment was originally attached to the shares of New Providence Securities (Bahamas) Limited owned by such shareholder.

The increase in additional paid-in capital of $61,601 of New Providence Securities (Bahamas) Limited represents dividend credits of $36,601 on partially-paid stock, credited in 1970 on payment of a dividend declared in 1969; and $25,000 paid by a shareholder whose shares were subsequently repurchased by New Providence Securities Ltd., S.A.

(Continued)

NEW PROVIDENCE SECURITIES LTD., S.A.
AND
NEW PROVIDENCE SECURITIES (BAHAMAS) LIMITED AND SUBSIDIARIES

Notes to Financial Statements, Continued

(H) Treasury Shares:

The treasury shares of New Providence Securities Ltd., S.A. represent the cost of 45,879 shares of Class A stock purchased at various dates during the year ended September 30, 1971. Such shares were purchased at prices ranging from $10.20 to $11.20. Of this amount 45,000 shares were purchased from one shareholder for $500,000 with the proceeds of the loan from Sonafin Anstalt (note E).

The treasury shares of New Providence Securities (Bahamas) Limited represents 43,543 fully- and partially-paid shares of Class A stock purchased by New Providence Securities Limited for $543,319.

(I) Salaries and Expenses of Officers and Directors:

During the year ended September 30, 1972, officers and directors of New Providence, as a group, received salaries of approximately $140,000 and incurred (or received payment for) expenses of approximately $77,000. However, certain of these individuals also received compensation from Universal Venture Capital or its subsidiaries after they were transferred to the payroll of such companies during 1972.

New Providence is a principal defendant in a lawsuit brought by Gordon T. McAlpin in respect to a claim for unpaid salaries and other benefits in excess of $100,000. The company has made no provision for such amount because its attorneys consider the liability under the suit to be minimal, if any.

(J) Insurance Payments and Claims:

In 1972 New Providence Securities Ltd., S.A. set up a provision of $50,000 to cover the liability for insurance claims which it assumed from New Providence Securities Limited. In connection with a Capital Growth Fund selling document released in 1968, New Providence Securities Limited agreed to pay to the estates of deceased shareholders, the amount of the investments up to a maximum of $100,000 per investor. The letter dated July 16, 1971 from New Providence Securities Limited informed shareholders of a change in the Fund from open to closed and also indicated that the insurance plan would be terminated effective July 19, 1971 because of the management company's inability to continue such coverage. New Providence Securities Ltd., S.A. has agreed to pay claims from estates of shareholders who died prior to the date of termination of the plan. If the market price of Capital Growth Company's shares, at the date of claim, is less than $4.52 per share (price at date of termination of plan), Capital Growth Company, S.A. absorbs that portion of the claims representing the difference between $4.52 per share and the realized price. Management is of the opinion that the $50,000 provided at September 30, 1972 is adequate to cover any claims received.

EXHIBITS OF EHG GROUP IN SUPPORT OF APPLICATION TO VACATE THE PRELIMINARY INJUNCTION AND APPOINTMENT OF RECEIVER.

PROSPECTUS DATED SEPTEMBER 5, 1969

EHG ENTERPRISES, INC.

Ponce de León No. 760, Stop 11
Caribbean Towers Building, Suite 210
Santurce, Puerto Rico

Incorporated-February 12, 1969, Puerto Rico

15,000 Shares Par Value $1.00 each

Price: $10.00 per share

There is no present public market for the Common Stock of the Company. The offering price has been determined arbitrarily by the Company. In view of the small number of shares being offered hereunder, it is likely that the number of purchasers will be less than 50 persons, all of whom will be designees of the Company. Moreover, the resale of up to a maximum of 7,350 shares to be offered to certain officers and employees of the Company by such persons will be subject to certain rights of refusal and other restrictions as set forth below. Thus, there can be no assurance that a market in the Company's shares will develop in the future.

THESE ARE SPECULATIVE SECURITIES

"THESE SECURITIES ARE OFFERED FOR SALE IN THE COMMONWEALTH OF PUERTO RICO PURSUANT TO REGISTRATION WITH THE SECURITIES OFFICE OF THE DEPARTMENT OF THE TREASURY, BUT SUCH REGISTRATION DOES NOT CONSTITUTE A FINDING THAT THIS PROSPECTUS IS TRUE, COMPLETE, AND NOT MISLEADING, NOR HAS THE SECURITIES OFFICE OF THE DEPARTMENT OF THE TREASURY PASSED IN ANY WAY UPON THE MERITS OF, RECOMMENDED, OR GIVEN APPROVAL TO SUCH SECURITIES. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE".

	Price to Public	Expenses of Offering (1)	Net proceeds to Company
Per Share	$10.00	$1.00	$9.00
Total	$150,000.00	$15,000.00	$135,000.00

(1) Consists of estimated legal, accounting and other expenses expected to be incurred in connection with this offering.

The offer and sale fo shares hereunder has not been registered under the United States Securities Act of 1933 ("U. S. Act"). Eac' purchaser of such shares will be required to agree under a Subscription Agreement with the Company that no transfer of the shares purchased by him may be made to any person other than a resident and citizen of the Commonwealth of Puerto Rico, except upon the prior written consent of the Company based upon an opinion of counsel for the Company that such transfer will not violated the U. S. Act.

Of the shares being offered hereby, a maximum of 7,350 shares will be initially offered for sale at the public offering price to certain officers and employees of the Company and to their relatives. Shares sold to such officers and employees will be subject to certain additional restrictions and a right of first refusal on the part of the Company in respect of any resales for a period of five years. See "Introductory Statement-Restrictions on Resales of Shares Offered Hereunder".

These shares are being offered subject to prior sale by the Company of 200,000 shares of Common Stock to Capital Growth Fund, a Bahamian mutual fund, at a price of $10.00 per share. In connection with such sale a brokerage commission of $100,000 will be payable by the Company and 10,000 outstanding shares of Common Stock will be transferred by the principal shareholders of the Company as a finder's fee. See "Sale of Shares to Capital Growth Fund".

This offering is not being underwritten. The shares are being offered by the Company through one of its officers as a duly registered agent, subject to prior sale, and to withdrawal, cancellation and modification of the offer without notice and subject to approval of certain legal matters by counsel for the Company and subject to the right to reject any subscription in whole or in part.

The date of this Prospectus is September 5, 1969.

No dealer, salesman or any other person is authorized by the Company to give any information or to make any representations other than as contained in the Prospectus in connection with the offering described herein and, if given or made, such information or representations must not be relied upon.

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INTRODUCTORY STATEMENT

EHG Enterprises, Inc. (herein, generally together with its subsidiaries, called the "Company") was incorporated in Puerto Rico on February 12, 1969. Upon its formation, the Company acquired shares of capital stock of 35 corporations to the extent held by Enrique H. Gutiérrez and his brother Ariel E. Gutiérrez (herein sometimes collectively referred to as the "Gutiérrez Brothers") in exchange for the issuance to them of all of the shares of Common Stock of the Company outstanding prior to this offering. The Company also acquired certain operating assets, accounts receivable and cash from E. H. Gutiérrez AIA & Associates, a partnership owned by the Gutiérrez Brothers, in satisfaction of approximately $172,424 of indebtedness owing to the Company. The 35 corporations are engaged in various real estate development projects and related activities as more fully described herein under the caption "Business" and constituted all of the real estate development interests of the Gutiérrez Brothers. The projects include condominium high-rise apartment buildings, rental apartment buildings, commercial and industrial structures, warehouses, residential subdivisions, and other types of real estate. The Company's equity interests in these 35 corporations range from 13 3/4% to 100%.

The Company is engaged in completing the unfinished projects which had been commenced by certain of the aforementioned 35 corporations and is also engaged in the development of new projects, the most important of which is the construction of condominium-hotel called "Condotels". Condotels resemble traditional condominium structures, but also include all of the facilities of resort hotels such as swimming pools, restaurants shops, etc. The "Condotels" are to be operated as resort hotels with the Company and the individual owners of rooms sharing the profits and losses of operation. See caption "Business-Project Under Development-Condotels". Essentially, the Company's activities involve all aspects of real estate development ranging from feasibility studies for a particular project, to the development of detailed building plans, the acquisition of land, arranging for necessary construction, interim and long-term mortgage financing as well as providing supervision during construction, accounting and property management and sales and rentals of the projects.

Sale of Shares to Capital Growth Fund

The Company has made a verbal agreement with Capital Growth Fund, a Bahamian mutual fund which invests primarily in securities of United States corporations, for the sale by the Company to Capital Growth Fund of 200,000 shares of Common Stock of the Company at a purchase price of $10.00 per share. It is expected that such sale will be consummated on the effective date of the Registration Statement of which this Prospectus forms a part, or shortly after such effective date. No sales of the 15,000 shares being offered hereunder will be made unless and until the sale of shares to Capital Growth Fund is consummated.

Of the aggregate purchase price of $2,000,000 for the shares to be sold to Capital Growth Fund, $100,000 will be used by the Company to pay a brokerage commission with respect to such sale to New Providence Securities Ltd., a Bahamian corporation which is the Administrator for Capital Growth Fund. If the sale of shares to Capital Growth Fund is consummated, the Gutiérrez Brothers will transfer 10,000 outstanding shares of Common Stock of the Company owned by them to Mr. Alberto Inocente Alvarez who acted as a finder in connection with such sale.

The sale of shares to Capital Growth Fund will not be registered under either the Uniform Securities Act of Puerto Rico or the U. S. Act. Capital Growth Fund will agree that it will not sell or otherwise transfer such shares to any person who is either a resident or citizen of the United States, or any of its territories or possessions (including the Commonwealth of Puerto Rico), for a period of three years unless a Registration Statement under U. S. Act is in effect with respect thereto or unless consented to in writing by the Company based upon an opinion of counsel for the Company. The 10,000 shares to be transferred by the Gutiérrez Brothers as a finder's fee will be subject to the same restrictions on the sale or transfer thereof by such finder.

It is contemplated that a real estate investment fund planned to be formed as an affiliate of Capital Growth Fund will be granted an option by the Company to acquire 50% of the shares of Condotel, Inc., a new subsidiary of the Company which is engaged in the construction of the various "Condotel" projects which have been commenced, and which may be commenced in the future, by the Company. See caption "Business-Projects Under Development-Condotels", for further information.

Restrictions on Resales of Shares Offered Hereunder

The 15,000 shares being offered pursuant to this Prospectus have not been registered under the U. S. Act. Under the terms of the Subscription Agreements to be entered into between the purchasers of the shares and the Company, each purchaser will be required to agree that no transfers of the shares will be made to any person who is not a resident and citizen of the Commonwealth of Puerto Rico, except upon the prior written consent of the Company given

based upon an opinion of counsel for the Company to the effect that any such transfer will not violate the U. S. Act. The certificates representing each purchaser's shares will bear a legend referring to these restrictions and a stop-transfer order will be placed on the stock records of the Company. Reference is made to the form of Subscription Agreement filed as an exhibit to the Registration Statement of which this Prospectus forms a part.

- Additional Restrictions on Shares Offered to Officers and Employees -

As indicated on the Cover Page of this Prospectus, up to a maximum of 7,350 of the shares offered hereby are to be initially offered to certain officers and employees of the Company. In addition to the restrictions on transfer discussed in the proceeding paragraph, each officer or employee of the Company who acquires shares hereunder will be required to enter into an agreement ("Stock Restriction Agreement") with the Company pursuant to which such purchaser agrees that if he should leave the employ of the Company at any time during the period of five years following his purchase of shares for any reason other than death or physical or mental incapacity, the Company shall have an option for a period of 60 days to purchase all of the shares of the Company purchased hereunder and then owned by him at a purchase price equal to his cost of $10.00 per share, plus interest at the rate of 10% per annum from the date of purchase to the date the Company exercises its option. Each officer or employee who purchases shares hereunder will, in turn, have the right to require the Company to repurchase his shares at any time during such five year period at the same price (including interest). If the Company is unable to legally repurchase such shares or otherwise fails to do so, the Gutiérrez Brothers have agreed to perform the Company's obligations to such officers and employees by purchasing the shares themselves.

The Stock Restriction Agreement also provides for a right of first refusal on the part of the Company in respect of any resales of shares during said five-year-period at the same price at which a bona fide third-party has offered to purchase such shares from the officer or employee. If the Company does not exercise such right, the bona fide third-party who purchases the shares will hold them free of the Company's option to repurchase if the selling officer or employee should leave the employ of the Company. The obligations of the Company and the Gutiérrez Brothers to repurchase shares during the five-year-period will terminate upon any resale to a third party.

of Cap. Owned at Cost

The foregoing is only a brief description of the terms and conditions of the Stock Restriction Agreement and reference is hereby made to the form thereof filed as an exhibit to the Registration Statement of which this Prospectus forms a part.

Speculative Aspects

In considering this offering, a prospective investor should consider carefully, among other factors, the following:

1. The Company has only recently been formed and has no established operating or earnings record. The completion of the first project owned by any of the 35 corporations referred to above occurred in 1967.

2. The real estate development business involves certain inherent risks among which are fluctuating values of real estate dependent upon general economic conditions and other factors, the incurrence of substantial fixed payment obligations under land purchase contracts and mortgages, and the availability, or non-availability, of construction and mortgage financing on terms sufficiently attractive to permit construction.

3. Interest rates are currently at historically high levels and there is no assurance that they will not be further increased in the future, thereby adversely affecting the ability of the Company to operate profitably.

4. The real estate development activities of the Company require the investment of substantial amounts for feasibility studies, building plans, architectural drawings, land surveys, soil reports, legal fees and other preliminary expenses which may not be recovered if the project is abandoned or, if completed, does not prove profitable. Moreover, real estate projects incur substantial interest and other costs during the construction period and during the period prior to the sale or rental thereof. During these periods, which may extend for a year or more, the Company will not realize any revenues from the project with which to offset such costs and expenses.

5. The success of a particular project depends in large part upon its location, appeal and other factors. There can be no assurance that the locations and general appeal of the Company's current projects will prove favorable or that the company will be able to obtain favorable locations in the future.

6. The real estate development business is highly competitive and the Company is in direct competition with other developers, many of whom have greater financial resources and experience than the Company. Moreover, the Company's "Condotel" projects will be in direct competition with other resort hotels in the areas in which they are located and in other areas which are attractive to tourists throughout the Caribbean area and elsewhere. See caption "Business - Competition".

7. The Company intends to invest heavily in, and concentrate a large amount of its efforts to, the construction of "Condotels". The "Condotel" concept is unique and, to the knowledge of the Company, it has not been utilized to any significant extent in Puerto Rico or elsewhere in the Caribbean area. It involves complex business and legal techniques and the sale of "Condotel" units will be subject to extensive

regulation at various levels of government, including registration under the federal and state securities laws and state and local laws governing condominium structures. In addition, the Company will be required to rely to some extent upon the expertise of others in such areas as hotel operations and sales of "Condotel" units. Thus, there can be no assurance that the "Condotel" concept will ultimately prove to be feasible or profitable for the Company.

8. In recent years Puerto Rico has experienced a period of substantial economic growth, with special emphasis in the construction and tourism industries. This pattern of growth may have been an important factor contributing to the expansion of the real estate activities of the Company and the Gutiérrez Brothers. There can be no assurance that such growth will continue in the future.

9. Construction or acquisition of additional projects will require the availability of appropriate financing by way of borrowings or sale of equity securities. There is no assurance as to the availability or terms of future borrowings required; equity financings may dilute the interests of stockholders.

10. In the past, lenders to the Company have required construction loans to be personally guaranteed by the Gutiérrez Brothers. It is the policy of the Gutiérrez Brothers to no longer accommodate the Company by personally guaranteeing construction or other loans made to the Company or its subsidiaries. This policy may adversely affect the Company's ability to obtain favorable financing for the construction of future projects.

11. In a number of instances, the Company has only a minority equity participation in completed and current projects. Thus, the Company may be unable to control the entities owning or operating such properties in a manner most beneficial to the Company's interests. The Company may also have minority participation in future projects, although it is the present policy of the Company to secure not less than 50% equity position in future projects whenever practicable.

12. The Board of Directors presently intends to retain future earnings of the Company, if any, for use in expanding the Company's business. This policy will be subject to periodic review by the Board of Directors and the payment of any cash dividends will be dependent on earnings, the financial condition of the Company, financial requirements for operations and new projects and other factors.

13. Upon completion of the offering made hereunder and the sale of 200,000 shares to Capital Growth Fund as described above, the Gutiérrez Brothers will continue to hold enough voting power to elect di-

rectors for the Company, without the votes of the public stockholders or of Capital Growth Fund. In addition, the Gutiérrez Brothers will have enough voting power to veto any merger, sale of assets, consolidation, liquidation, or dissolution of the Company, or any issuance of additional stock if they choose to do so (see caption "Principal Stockholders").

14. As indicated on the Cover Page of this Prospectus, prior to this offering there has been no public market for the shares of the Common Stock of the Company and for the reasons stated on the Cover Page, it is unlikely that there will be a ready market for such shares in the future. The offering price of the shares offered hereby has been arbitrarily determined by the Company.

Dilution

On July 31, 1969, the book value of each outstanding share of Common Stock was $1.01. If effect were given at such date to this offering of 15,000 shares by the Company and the sale by the Company of 200,000 shares to Capital Growth Fund at the price of $10.00 per share, the book value of each such outstanding share owned by the Gutiérrez Brothers would have been increased to $3.24 at no cost to them and the public shareholders (and Capital Growth Fund) would have experienced an immediate dilution of $6.76 per share.

After giving effect to this offering, the sale of shares to Capital Growth Fund and the transfer of 10,000 shares by the Gutiérrez Brothers referred to above, the Gutiérrez Brothers will own 641,266 shares or 74.02% of those outstanding, having a cost basis to them of $651,266 or $1.01 per share; Capital Growth Fund will own 200,000 shares or 23.08%, for which they will have paid $2,000,000 or $10.00 per share; and the public shareholders will own 15,000 shares or 1.75% for which they will have paid $150,000 or $10.00 per share.

USE OF PROCEEDS

The Company intends to use the net proceeds estimated at $135,000 to be received by it from the sale of the 15,000 shares offered hereby, and the net proceeds estimated at $1,900,000 to be received by it from the sale of 200,000 shares to Capital Growth Fund, as follows:

1. The first $150,000 will be used for preliminary promotional and other expenses relating to the Company's "Condotel" projects, including legal fees and other costs expected to be incurred in connection with the registration of the sale of "Condotel" units to indivi-

dual investors under federal and state securities laws and laws governing the sale of condominium apartments.

2. The next $250,000 is scheduled to be used as a down payment towards the purchase of approximately 7-1/2 acres of undeveloped land located in the Isla Verde Section of San Juan, Puerto Rico. The Company had not entered into a contract for the purchase of such land at the date hereof. If purchased by the Company it is contemplated that this land will be used for a "Condotel" project.

3. The next $486,000 is scheduled to be used to make the first payment towards the balance of the purchase price of the 7-1/2 acre tract referred to in paragraph "2" above. Such payment is expected to come due six months from the date of execution of a contract to purchase such land. The total purchase price for such land is expected to be $5,250,000 of which $2,085,000 is expected to be paid by the assumption by the Company of existing mortgages covering such property and the balance of $2,915,000 of such purchase price (after giving effect to the $250,000 down payment) is expected to be payable by the Company in six equal installments of $486,000 each with the first such payment becoming due in six months as stated above and the remaining five payments becoming due in annual installments thereafter.

4. The next $250,000 is expected to be used for the first payment on the purchase of an additional 60% stock interest in Island Hotels, Ltd., a corporation which owns and operates the Yacht Haven Hotel in Saint Thomas, Virgin Islands. An additional $250,000 is expected to be due one year after the first payment. If concluded such purchase will result in the Company owning an aggregate of 91-1/2% of the outstanding capital stock of that corporation. If the purchase of such shares is concluded, the Company intends to explore the feasibility of substantially expanding the Yacht Haven Hotel its subsequent development as a "Condotel" project.

5. The next $100,000 is scheduled to be used for preliminary expenses and commissions and as consideration for an option in respect of an office building project to be known as One Biscayne Building and located on Biscayne Boulevard in the downtown area of Miami, Florida. This project is currently in the planning stage and there is no assurance that the Company will go forward with the project after the aforementioned $100,000 has been expended.

6. The next $300,000 is expected to be used as a down payment towards the purchase of approximately 25 acres of land situated in the Rio Piedras Section of San Juan, Puerto Rico. The purchase of this land at a total purchase price of $2,300,000 is currently being negotiated. If a contract of purchase is concluded, the $300,000

down payment would be payable on the closing of the transaction approximately one month following the execution of the contract.

7. The next $250,000 is expected to be used in connection with the purchase of stock of three corporations which own an area on Eleuthera Island, Bahamas, known as the Whale Point Club and Whale Point Estates. The total purchase price is $3,250,000 of which $100,000 is payable at closing and the balance, with interest at 8% per annum, is payable in annual installments of 2% of the principal with the remainder falling due at the end of 20 years. The Company anticipates spending approximately $150,000 in connection with initial development of the property. The Company has no commitments for additional financing which will be required for the property. Closing of the purchase is subject, among other matters, to the sellers having fee simple and unencumbered title to the property.

8. The balance of the net proceeds (approximately $250,000) will be added to the working capital of the Company and will be available to furnish the initial capital for new projects and the acquisition of additional land. No binding commitments for new projects or new acquisitions of land have been made at this time, although the Company is continually reviewing a number of situations which may, or may not, result in the commitment of funds.

There can be no assurance that the aggregate proceeds of the sales of shares by the Company hereunder and to Capital Growth Fund will be utilized in the manner set forth in Paragraph "2" through 7" above, since the Company has not entered into binding contracts with respect to the projects mentioned except in the case of paragraph "7". Moreover, the amounts specified are approximations based upon current negotiations and may therefor be increased or decreased as a result of further negotiations. If any of the contemplated transactions are abandoned, the amount of proceeds allocated therefor will instead be added to working capital of the Company in the manner stated in Paragraph "8" above.

	Corporation Name	Project Site
1.	Bocamar Development Corp.	Development site South of the Island between Ponce and Salinas City, facing the beach.
2.	Picó Center Inc.	Condado Ave., Santurce, P.R.
3.	Condominio El Centro I	Muñoz Rivera Ave. and Loiza Cordero St., Hato Rey, P.R.
4.	Condominio El Centro II	Muñoz Rivera Ave. and Loiza Cordero St., Hato Rey, P.R.
5.	Condado Beach Corp.	Ashford Ave., Condado, Santurce, P.R.

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5.	Condado Beach Corp.	Ashford Ave., Condado, Santurce, P.R.

	Corporation Name	Project Site	Description of Project	Investments Details: Percentage of Cap. Owned	Investments Details: Total Inv at Cost
11	Tafno Development Corp.	Jardines de Lofza Developmer Medianía Alta Loíza, P. R.	Industrial development with commercial zone warehouses (fire-proof warehouses buildings). Final construction plans approved. Project Under Construction. 1) Commercial zone 48,250 sq. ft. 2) Warehouse 1) 31,190 " " 3) " 2) 37,950 " " 4) " 3) 47,200 " " 5) " 4) [illegible]000 " " 6) " 5) 25,000 " "	49%	1,176.00
12	El Caribe Land & Dev. Corp.	Rosales St., San Juan - In front of Caribe Hilton Hotel	Construction in process. Land Development 83% completed-Warehouses No. 1 and No. 2, 13% completed (foundation).	49	510.00
13.	San Juan Beach Corp.	Highway #187, Isla Verde Carolina, P. R.	Condominium apartment with commercial facilities consisting of 10 apartments - Square footage: Commercial space - 3,670 sq. ft. Project in process. - Construction approximately 90% completed. All apartments have been sold.	33.33%	1,000.00
14	La Ceiba Development Corp.	Ponce City, P. R.	FHA low rental apartment complex with commercial facilities (221-D-3) Consisting of 280 apartments in two tower building. - Square footage: Commercial area 4,600 sq. ft. Cultural Center 1,966 " " Status - In process Final construction plans approved with the exemption of the commercial areas.	50%	141,000.00
			Condominium apartment consisting of 86 apartments with parking facilities Commercial area consisting of 1,700 sq. ft. Status - Project has been completed and sold. - Construction cost including land $ 1,793,419.05	16.66%	200.00

Corporation Name	Project Site	Description of Project	Investments Details: Percentage of Cap. Owned	Investments Details: Total Inv at Cost
Turabo Commercial and Industrial Complex J. A. Development Corp.	Caguas City, P.R. In front expressway Caguas-San Juan	Industrial development with commercial zone warehouses (fire-proof warehouses buildings). Final construction plans approved. Project Under Constuction. 1) Commercial zone 48,250 sq. ft. 2) Warehouse 1) 31,190 " " 3) " 2) 37,950 " " 4) " 3) 47,200 " " 5) " 4) 75,000 " " 6) " 5) 25,000 " "	49%	1,176.00
Inmobiliaria del Sol	Corner San José y Sol Old San Juan	Construction in process. Land Development 83% completed-Warehouses No. 1 and No. 2, 13% completed (foundation).	49	510.00
Carolina Towers, Inc.	Los Angeles Development by the expressway Baldorioty de Castro (Expressway No. 2)	Condominium apartment with commercial facilities consisting of 10 apartments - Square footage: Commercial space - 3,670 sq. ft. Project in process. - Construction approximately 90% completed. All apartments have been sold.	33.33%	1,000.00
10 EMEF Ocean Towers	Calle Loiza, Isla Verde Carolina, P.R. - In front Racquet Club near the Beach	FHA low rental apartment complex with commercial facilities (221-D-3) Consisting of 280 apartments in two tower building. - Square footage: Commercial area 4,600 sq. ft. Cultural Center 1,966 " " Status - In process Final construction plans approved with the exemption of the commercial areas.	50%	141,000.00
		Condominium apartment consisting of 86 apartments with parking facilities Commercial area consisting of 1,700 sq. ft. Status - Project has been completed and sold. - Construction cost including land $ 1,793,419.05	16.66%	200.00

	Corporation Name	Project Site	Description of Project	Investments Details: Percentage of Cap. Owned	Investments Details: Total Inv. at Cost
15	Mar Associates, Inc.	Construction Corp.	A corporation organized at San Juan for operation as a General Contractor. Has presently under construction ½ a million sq. ft. for warehouses purposes. Gross income from Jan. to June 30/69 $1,516,771.24, net profit after taxes $134,649.88.	13.92%	13,920.00
16	Pan American Air Conditioning Corp.	Caribbean Towers	A corporation organized at San Juan eight months ago, for operation as Mechanical Contractors. Contracts in process: Villamar Apts. $ 498,000.00; The Caribbean 225,000.00; Surfside Mansion 262,000.00; Torre del Mar 234,000.00; El Caribe Off. Bldg. 109,000.00; Tennis Court 261,000.00. Gross income for the period ending at June 30/69, $352,846.00 with profits (after taxes) $32,206.28.	25%	12,500.00
17	San Sebastián 6 Inc.	Urbanización Industrial Mario Juliá J. F. Kenneddy Ave., San Juan.	Three concrete and masonry industrial buildings containing a total of 150,000 sq. ft. of which 10,314 sq. ft. is mezzanine area. - 20 ft. clear ceilings and truck height loading docks. Project under process construction approximately 2%.		
		Rexco Warehouse, Cataño, P. Rico.	Industrial development consisting in three fireproof warehouses. Construction commenced.	33.33%	30,000.00
18	Mosaicos y Zócalos Hidráulicos Inc.	Urbanización Industrial Julio N. Matos Barrio de San Antón, Carolina	A corporation organized at San Juan for production of tiles, floor tiles, ceramic tiles etc. Organization period. All machinery and equipment are on site.	28%	22,960.00

	Corporation Name	Project Site	Description of Project	Investments details: Percentage of Cap. Owned	Total Inv. at Cost:
19.	Ashford Caribe	Ashford Ave.-Condado, P. R.	Condominium apartment consisting of 31 apartments; 10 parking spaces.-Schedule total cost of construction including cost of land: $770,700.00. Project has been completed and sold. This Corporation is inactive and is expected to be liquidated.	33.33%	500.00
20.	Jerónimo Corporation	1) Hato Tejas-Bayamón, P. R.	Industrial development integrated by 5 warehouses.-Each warehouse of 84,000 sq.ft.-The total construction area is approximately 420,000 sq.ft.-Budgeted total cost of construction: $4,200,000.00. Building construction not commenced.-Awaiting approval of final construction plans.-Land development already approved by Planning Board and 10% completed.		
		2) Sabana Gardens-Highway #26 Carolina, P.R.	Industrial development.-First building under construction approximately 80% completed.-Warehouses capacity 70,000 sq.ft. each.-Budgeted total cost of construction $700,000.00.		
		3) Reparada Development-Ponce	Industrial development. Three warehouses. Lot 3 Bldg.#1 - 32,953 sq.ft.-Project comp. Lot 4 Bldg.#2 - 58,645 sq.ft.-Project not comm. Lot 5 Bldg.#4 - 81,127 sq.ft.- " " " First building real cost: $350,000.00- These buildings rented yearly, $42,000.00- Second building anticipated contracts of rents yearly $79,460.00. Second and third buildings budgeted cost: $1,600,000.00.	17.39%	40,000.00
21.	Condado Center, Inc.	1) Condado, P. R.	A 20 story building 406 units apartment condominium located by the beach in the Condado area. Completed and sold in 1967.		
		2) Playa Azul, Luquillo Beach, P.R.	Three condominium apartments buildings, 22 stories each located by the beach.-Each building has 206 apartments.-The total units of the complex are 618 apartments.-Complex includes recreational areas, swiming pool and services areas.-Building 1 is completed.-Buildings 2 and 3, construction not commenced.-Budgeted total construction cost: $9,135,563.00.	25%	500.00

Corporation Name	Project Site	Description of Project	Investment Details: Percentage of Capital Owned	Investment Details: Total Inv. At Cost
Condominium Development Corp.	Ashford Avenue Condado, Puerto Rico	Torre del Mar Building - condominium apartment, 23 stories, with the following description: Level 0 - Basement, parking, facilities Level 1 - Ground floor, lobby and 2,065 sq. ft. Commercial area Level 2 - Mezzanine Level 3 thru 21 - Apartments Level 22/23 - Penthouses Budgeted total construction cost - $5,252,000.00 Status - Construction completed 25%	25%	500.00
Caribbean Growth Investment Corp.	Urbanización Industrial Julio N. Matos, Carolina Puerto Rico (Barrio San Antón)	Industrial complex composed of 5 warehouses, fire proof of 63,000 sq. ft. each. Status - Warehouses No. 1 and No. 2 completed and rented. Total real cost $1,347,387.68 Warehouse No. 3 under construction Budgeted cost $ 800,000.00 Warehouses No. 4 and No. 5 not commenced	20%	500.00
Gateway to the Future	Muñoz Rivera Avenue (Martín Peña Zone) Hato Rey, Puerto Rico	Condominium apartment with commercial facilities and parking areas - 12 stories with 127 residential units and parking facilities provides 235 spaces. Description: Basement - Parking and storage Ground Floor - 39,000 sq. ft. commercial area and parking Open Floor - 6,250 sq. ft. office 8 Stories - residential units 120 Penthouse Floor - 7 units Budgeted total cost of construction $5,993,700.00 Construction not commenced. Preliminary plans approved. Awaiting approval of final construction plans.	22%	66,000.00
Silver Inc.	La Plata Development	This corporation is the owner of 185 shares of La Plata Development Inc., (represents 20% of capital paid of La Plata Development). La Plata Development is the owner of a farm located between Cataño and Bayamón composed of 362 cdas. Land Development not commenced yet. The complete planification of the development is under study.	50%	12,500.00

Corporation Name	Project Site			
Laguna Gardens Inc.	Baldorioty de Castro Ave. Carolina, P. R.	Condominium apartments complex: This complex is composed by six buildings. Building No. 1: 152 residential apartments Construction completed and sold. Construction cost including land $2,986,567.00 Building No. 2: 128 residential apartments Construction completed and sold. Construction cost including land $2,611,319.00 Building No. 3: 128 residential apartments " " 4: 128 " " " " 5: 128 " " " " 6: 128 " " Budgeted total construction cost Building 3 thru 6: $10,440,000.00 Construction of 3 thru 6 not commenced			
		Two stories Shopping Center with following rentables areas: Basement 20,500 sq. ft. Ground Floor 60,000 " " Second Floor 60,000 " "- Plus parking area Budgeted total construction cost $4,330,000.00 Construction commenced= 13% (foundation) in final process.		
		Five level Hotel with 362 rooms, commercial, recreation and parking area. Swimming pool and gardens Ground floor 46,325 Sq. Ft. - Lobby - commercial-recreation area. 1st Level 35,825 Sq. Ft. 89 Rooms 2nd Level 32,875 Sq. Ft. 81 " 3rd Level 29,925 Sq. Ft. 73 " 4th Level 26,975 Sq. Ft. 65 " 5th Level 22,500 Sq. Ft. 54 " Budgeted total construction cost $6,925,000.00 Construction not commenced. Awaiting approval of preliminary plans.	25%	25,000.00

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* Condotels, Inc.		See Sub-Caption: Projects under Development - Condotels	100%	200,000.00
Tenan Development Inc.	Caribbean Towers	Affiliated corporation. - Tenan Development Corp. is a service corporation. - The services consist inc: Blue Prints (Xerographic Copies) Photocopy Photographic services and other technical services	100%	1,000.00
Antilles Growth Realty Corp.		Selling office of local units in the condominium	100%	1,000.00
Executive Management, Inc.		Furnish accounting and bookeeping service for all corporations described herein	100%	1,000.00
P. Silva & Associates		Insurance Services	60%	6,000.00
Jerónimo Plaza, Inc.		Project Plaza Central is under study. Analisis is in process as of July 31/69	50%	1,000.00
				$ 650,266.00

* Includes Condominium Hotel Corporation, Caribbean Condominium and Hotel Corp. and Antilles Condominium and Hotel Corp.

CAPITALIZATION

The capitalization of the Company as of July 31, 1969, and as adjusted to reflect the sale of the Common Stock of the Company being offered by this Prospectus and the sale of 200,000 shares to Capital Growth Fund is as follows:

	Authorized	Issued and Outstanding	To be Outstanding
Long-Term Bank Note 9½% due 1974	$ 500,000	$ 473,631	$ 473,631
Sundry Indebtedness Long-Term		56,048	56,048
Capital Stock			
Common Stock, $1.00 Par Value	1,000,000shs	651,266 shs	866,266shs (1)

(1) Reflects the sale and issuance of 15,000 shares pursuant to this Prospectus and the sale and issuance of 200,000 shares to Capital Growth Fund.

Reference is made to the financial statements of the Company and certain of its 50% or more owned subsidiaries included elsewhere, in this Prospectus.

BUSINESS

General

The Company, through the 35 corporations referred to above and other subsidiaries recently formed, is engaged in the planning; financing, supervision of construction, sale and management of various types of real estate projects, including high-rise apartment buildings (condominiums and rental; FHA and conventionally financed), subdivisions of single family homes, industrial parks and shopping centers. The Company's equity ownership in said 35 corporations varies from 13-3/4% to 100% as indicated in the table presented below.

It is the present policy of the Company to attempt to retain, whenever practicable, between 50% and 100% of the equity interest in real estate projects currently being initiated by it and in future projects. However, the Company may obtain less than a 50% equity participation in individual projects where the fee owner seeks to retain an equity interest or where the Company seeks to limit the amount of its investment or in other instances. With respect to future projects, the Company presently intends to place special emphasis on the development of the "Condotel" projects (see the subcaption "Projects Under Development - Condotels" below).

In addition to real estate development, the Company has interests in other companies engaged in various activities related to real estate such as air conditioning, floor tiles, and insurance brokerage (see subcaption "Other Activities of the Company").

A 50% owned subsidiary of the Company is constructing a 21-story office and commercial building in the immediate vicinity of the Caribe Hilton Hotel in San Juan, Puerto Rico. The building will contain the new principal offices of the Company which will encompass approximately 8,000 square feet out of the total of approximately 51,000 square feet of office space to be available. The owner of the remaining 50% of this project will also occupy office space in the building which is currently under construction. The Company's new offices will replace its present leased offices. Further details are set forth in the table appearing below under the subcaption "Current and Completed Projects".

Organization

The Company employs engineers, economists, planners, accountants and draftsmen, as well as administrative, clerical and other employees (see subcaption "Employees"). The Company's employees are grouped

into a number of departments, including a planning section, a section for the preparation of feasibility reports, construction supervisory personnel, contract letting personnel, accounting and internal auditing and sales and managerial services.

Through this type of organizational grouping, the Company is able to initiate and plan all aspects of a real estate project beginning with the preparation of feasibility reports through the preparation of detailed building plans, acquisition of land, the obtaining of the requisite construction, interim and long-term mortgage financing, the supervision of construction and the sale and rental of completed projects: The Company does not itself act as a general contractor with respect to its projects, but utilizes the services of general building contractors in Puerto Rico and elsewhere, who work under the close supervision of Company personnel. To date, the Company has used the services of two unaffiliated general contractors in San Juan, Puerto Rico, for the construction of most of its major projects. The Company also has a 13.92% stock interest in Mar Associates, Inc., a recently formed general contracting company which has undertaken the construction of warehouse and industrial projects for certain of the corporations in which the Company has equity investments. The Company has no long term contractual arrangements with these contractors. However, the Company believes that there are a large number of qualified general contractors in Puerto Rico which could be available to undertake the construction of future projects for the Company if, for any reason, either or both such contractors should be unable or unwilling to undertake any new project.

Current and Completed Projects

There is set forth below a table containing the names of each of the 35 corporations in which the Company owns stock interests which were transferred to it by the Gutiérrez Brothers, the percentage of the outstanding capital stock of each such corporation owned by the Company, the location and a brief description of the projects undertaken by the respective corporations, the current status of such projects and the amount of the Company's investment in the shares of each such corporation. In addition to the 35 corporations listed, the Company has recently organized a number of new subsidiary corporations for the purpose of engaging in the development of "Condotels"(see subcaption "Projects Under Development - Condotels") and various other projects (see subcaption "Projects Under Development - Other Proposed Projects").

Projects Under Development

Condotels

As indicated under the caption "Use of Proceeds" above, the Company intends to devote a portion of the net proceeds of the offering of its shares being made hereunder and of the sale of shares to Capital Growth Fund for promotional, legal and other expenses expected to be incurred in connection with the development by the Company of new resort hotels to be called "Condotels". A new subsidiary of the Company has been formed under the name Condotels, Inc., for the purpose of constructing "Condotels". The Company's first "Condotel" is currently under construction in the Isla Verde section of San Juan, Puerto Rico. This project (hereinafter referred to as the "Isla Verde Condotel") is to consist of two hotel buildings of 238 units each. A more detailed description of the Isla Verde Condotel is set forth below under the heading "Isla Verde Condotel". The Company is also considering the expansion of the Yacht Haven Hotel in St. Thomas, Virgin Islands, and its development as a Condotel (see caption "Use of Proceeds" above). The Company is also negotiating for the purchase of additional land in the Isla Verde section of San Juan for possible use as the site of another Condotel (see "Use of Proceeds").

Generally, the "Condotel" concept envisions the construction or purchase of a hotel-type building containing principally one room or studio-type units which would be sold, individually, to private investors. The buildings would also contain public areas, such as restaurants, cocktail lounges, night clubs and commercial space for lease as stores, and other small businesses. Appropriate parking areas would also be included in the overall project. Investors who purchase individual hotel rooms or studio apartments in the "Condotel" would own such units on a condominium basis and would also own an undivided interest in the common public and commercial areas jointly with the other individual investors. The entire "Condotel", including condominium units and the public and commercial areas, would be subject to leases with another subsidiary of the Company providing for the operation of the "Condotel" as a first-class resort hotel. Such operating subsidiary of the Company, in turn, would sub-lease the "Condotel" to Executive House, Inc. (hereinafter called "Executive"), a publicly owned corporation which operates hotels in the United States, Puerto Rico and elsewhere, or comparable Hotel Manager. Under the terms of such sub-lease, Executive would be responsible for the actual operations of the "Condotel" as a resort hotel with the subsidiary of the Company and Executive sharing in the gross revenues of the "Condotel" together with the individual investors.

An agreement has been entered into between the Company and Executive for the management and operation of the Isla Verde Condotel. The details of such agreement are discussed below under the heading "Isla Verde Condotel". The Company has also entered into an agreement with Diners/Fugazy Travel ("Diners/Fugazy") providing for (a) Diners/Fugazy to act as exclusive representative for the sale of condominium units in "Condotels" to individual investors and (b) reservation, hotel promotion, and specialty sales services for the "Condotels". The agreement with Diners/Fugazy is also discussed below under the subcaption "Isla Verde Condotel".

As indicated above under the caption "Introductory Statement-Sale of Shares to Capital Growth Fund", the Company has an informal understanding with Capital Growth Fund for the grant by the Company of an option to a real estate investment fund planned to be formed as an affiliate of Capital Growth Fund, to purchase 50% of the capital stock of Condotels, Inc., the new subsidiary of the Company engaged in "Condotel" projects. The terms and conditions of such option, including the exercise price thereof, have not been finally agreed upon. However, it is expected that it such option is granted, it will be for a term of approximately six months and provide for an option price equal to approximately 50% of the Company's equity investment in, and advances to, Condotels, Inc., at the time the option is exercised. If the option is granted and thereafter exercised, it is contemplated that the real estate affiliate of Capital Growth Fund may be a major source of future financing for "Condotel" projects. However, there can be no assurance, that the terms and conditions of the option, if granted, will be exercised; or that the Capital Growth Fund affiliate will furnish any such financing.

- Isla Verde Condotel

As indicated above, the Isla Verde Condotel at the date hereof, is approximately 70% completed. The construction and the financing thereof has been undertaken by the fee owner of the project who is an unrelated third party. Condotels Inc., has entered into agreements with the present fee owner of the project which provide, among other things, for the co-management of the hotel operation by a subsidiary of the Company and a corporation owned on a 50-50 basis by the fee owner and the Company (such subsidiary and other corporations are hereinafter collectively referred to as "Co-Managers"). An agreement has been entered into with Executive on behalf of the Co - Managers. These agreement provide, in effect, for the Co- Managers and Executive to receive (a) a sum equal to 2% of the gross revenues from the hotel operation constituting reimbursement for certain operating expenses, plus (b) a fixed management fee equal to 3% of gross operating revenues if the occupancy rate of the Condotel d es not exceed 70% for any given year or 4% of gross operating revenues if the occupancy rate is in excess of

70% plus (c) a contingent management fee in the event that the net results of operation generate certain specified annual operating surpluses. The payment of the fixed management fees referred to in item (b) above to the Co-Managers and Executive will be subject to the attainment of a level of net operating receipts sufficient to first cover the individual unit owners debt service on their individual mortgages. Any fixed management fees not paid in respect of any year will be carried over to subsequent years and paid only when net operating receipts have been realized in excess of the amount of such debt service. Annual operating surpluses sufficient to permit the payment of the contingent management fees referred to in item (c) above will occur only after the payment of an additional 1% of gross operating revenues to the Co-Managers and Executive for additional operating expenses and the payment to individual unit owners of an amount calculated to give such owners a 10% return on the purchase price of their respective units. Thereafter, any such surpluses are to be divided on the basis of 60% to the individual unit owners and 40% to the Co-Managers and Executive.

As between the Co-Managers and Executive, the agreements provide for the distribution of the aforementioned fees on a specified basis. The agreements also provide that Executive shall be required to furnish the initial working capital requirements for the operation of the Condotel which are to be subject to recapture by Executive from future gross revenues.

The Co-Managers have also entered into an agreement with Diners/Fugazy referred to above under the heading "Condotels". Under the arrangement with Diners/Fugazy, Diners/Fugazy is to receive a 6% commission on the sales price of condominium units sold to investors and a 20% commission on room reservations booked by its. The Company has agreed to pay to Diners/Fugazy an annual fee for the sales efforts of Diners/Fugazy of $50,000 commencing one month after registration of the units under the U.S. Act and Puerto Rico Securities has been completed until the aggregate gross commissions of Diners/Fugazy in respect of sale of condominium units reaches $500,000 and an additional annual fee for the efforts of Diners/Fugazy in obtaining guest reservations for hotel rooms of $50,000 commencing in August 1969. The Company's obligation to pay such additional annual fees is to terminate if the aggregate gross commissions earned by Diners/Fugazy in connection with the sale of condominium units reaches $1,000,000

The agreements with both Executive and Diners/Fugazy are for an initial term of 15 years with Executive and Diners/Fugazy having three successive 10-year-renewal options in the event that the net profits of the Condotel operation have reached certain specified levels during the preceding term.

The foregoing is only a brief description of the terms and conditions of the various agreements relating to the Isla Verde Condotel. Reference is made to the copies of such agreements filed as exhibits to the Registration Statement of which this Prospectus forms a part.

- Other Proposed Projects

One Biscayne Building. The Company, through a subsidiary, has obtained a short-term option to purchase a tract of land on Biscayne Boulevard in downtown Miami, Florida, and is exploring the feasibility of developing an office building with commercial space on this site. As indicated under the caption "Use of Proceeds" above, up to $100,000 of the proceeds of this offering and the sale of shares to Capital Growth Fund may be used to pay certain expenses and option costs to be incurred in connection with this project. A feasibility study and preliminary building plans have been completed. Through a leasing agent retained by the Company, the Company is attempting to obtain lease commitments from major tenants for approximately 20% of the project as a step towards obtaining commitments from banks and institutional lenders for construction and permanent mortgage financing. There can be no assurance that the Company will exercise its option to purchase this land, that appropriate financing can be obtained, or that the Company will decide to pursue this project.

Los Robles. The Company is presently negotiating the purchase of approximately 25 acres of land in a residential area of Río Piedras, Puerto Rico, and is studying the feasibility of developing this acreage under the FHA mortgage insurance program for low and middle income condominium, cooperative and rental apartments. As discussed under the caption "Use of Proceeds" herein, approximately $300,000 of the proceeds of this offering and the sale of shares to Capital Growth Fund is expected to be used as the down payment on the purchase of this property. The project is still in its early phases and no commitments for construction or permanent mortgage financing have been obtained. Accordingly, there can be no assurance that the Company will acquire this land or, even if acquired, that the Company will proceed with this project.

Deerfield Beach, Florida. The Company owns a 25% interest in a 600 acre tract of land located in Deerfield Beach, Florida. The Company, together with the owner of the remaining 75% interest, is currently exploring the feasibility of developing this tract with the construction of condominium and rental apartment buildings, motels, golf courses and other structures. Further planning in respect of the project is contingent upon the construction of a proposed Interstate Highway through this tract, with provision for appropriate access thereto.

At the present time, no detailed plans have been developed for this project, nor has the availability of appropriate financing been explored. Thus, there can be no assurance that this project will go forward.

Cobian's Plaza. A corporation in which the Company is to own a 40% equity interest has acquired an option to purchase a tract of land located in a commercial center in Santurce, Puerto Rico. The Company and the owner of the remaining 60% interest are continuing to study the feasibility of developing a commercial, office and residential high rise condominium building on this site and are exploring the availability of appropriate financing. Since this project is still in the exploratory stage, there can be no assurance that it will go forward.

Boca Herrera. The purchase of a tract of approximately 670 acres of beach front land on the northwest coast of Puerto Rico is currently being negotiated by a corporation in which the Company is to have a 45% equity interest. The Company, together with its co-venturers in this project, is exploring the feasibility of developing this acreage with hotels, Condotels and golf courses. At the present time, the Companys is still considering the feasibility of this project and no detailed plans have been developed. The availability of appropriate financing has not been explored and there can be no assurance that the Company and its co-venturers will proceed with the project.

Other Activies of the Company

The Company owns stock interests in three corporations engaged in activities related to real estate as indicated in the table set forth above under the subcaption "Current and Completed Projects". One of these corporation acts as a manufacturers representative for manufacturers of air conditioning equipment and is 25% owned by the Company; another is engaged in the manufacture of cement tiles and is 30% owned by the Company; the third corporation, which is 60% owned by the Company, conducts an insurance brokerage business. The revenues and profits derived by the Company from these corporations have not been material in relation to the total operation of the Company.

Employees

The Company presently employs approximately 65 full-time employees of whom 12 are engaged in executive capacities. Seven of such 12 executives are architects or engineers. The balance of the Company's employees include two other architects, 21 draftsmen, 20 administrative, accounting and clerical personnel and 10 other employees.

The Company also utilizes the services of four consulting engineers and a decorating firm on a nearly full-time basis. The combined staffs of such engineers consist of about 75 persons of whom ten are engineers and the rest technical personnel.

The Company's employees do not belong to any union. The Company believes its relations with its employees are good.

Competition

The Company competes with many other companies which are engaged in the development and sale of homes, apartments, commercial property, industrial parks, and resortreal estate throughout Puerto Rico and the other Caribbean islands. Competition is increasing in this area and it is expected that it will continue to increase in the future. The Company's proposed "Condotel" projects will be in direct competition with other resort hotels in Puerto Rico where the competition between the numerous first-class resorts is keen. In addition, resort area development is in competition with similar developments in the United States and on islands which are closer to the continental United States.

There are many other firms in Puerto Rico who are capable of handling real estate development projects from feasibility study, through

promotion, arranging financing as well as providing supervision during construction and accounting and property management. The Company does not know of any published information concerning its relative size compared to the other organizations engaged in these services. To the extent that some of these organizations are larger, the Company will be competing with companies with greater financial resources and experience.

The companies engaged in the sale of air conditioning equipment and the manufacture of floor tile in which the Company holds stock interests are in competition with many businesses in Puerto Rico which have larger financial resources; some are associated or affiliated with other firms engaged in the real estate business. The insurance brokerage business is highly competitive.

MANAGEMENT

Officers & Directors

The directors and executive officers of the Company are as follows:

Names	
Enrique H. Gutiérrez	Chairman of the Board & Director
Ariel E. Gutiérrez	President & Director
Jorge P. Machado	Treasurer & Director
Héctor Ceinos	Secretary & Director
Ramón Morán	Director
Miguel A. Rivero	Vice-President - Production
Aurentino Gómez	Vice-President - Construction
Carlos J. Miranda	Vice-President - Design
Luis A. Pieras	Vice-President - Processing
Juan Sierra	Vice-President - Planning
Jorge García	Vice-President - Coordination

Enrique H. Gutiérrez is a registered architect. He is a graduate of The University of Havana, Cuba. From 1957 to 1966, Mr. Gutiérrez was one of the principals of Sacmag Company, an engineering and architectural consulting firm. Since 1966 he has been Senior Partner of E. H. Gutiérrez AIA & Associates, architects and engineers. He is a member of the College of Architects and Engineers of Puerto Rico.

Ariel E. Gutiérrez is a registered engineer and hold a degree of Bachelor in Civil Engineering from the Georgia Institute of Technology. He attended said University between 1961 and 1966 when he joined the firm of E. H. Gutiérrez AIA & Associates.

Jorge P. Machado joined E. H. Gutiérrez AIA & Associates as Comptroller in 1966. Prior to that, from 1964 to 1966 he was associated with the Keyes Co., Realtors, Miami, Florida. He is a member of National Association of Accountants.

Héctor Ceinos is a member of the Puerto Rico Bar and has been actively engaged in the practice of law since 1950. He is General Counsel of E. H. Gutiérrez AIA & Associates as well as several other companies.

Ramón Morán is a graduate of the University of Puerto Rico and holds a degree in Bachelor of Law. Since 1968 he has been a member of the firm of González Jr., González Oliver and Morán. Prior to that, from 1964 to 1968, he was associated with Mc Connell, Valdés, Kelley and Sifre.

Miguel A. Rivero has been employed by E. H. Gutiérrez AIA & Associates as Manager of Production and in other capacities since 1966. Prior to that, from 1964 to 1966, he was associated with SACMAG of Puerto Rico.

Aurentino Gómez has been employed by E. H. Gutiérrez AIA & Associates as Manager of Construction and in other capacities since 1966. Prior to that, from 1964 to 1966, he was associated with the Public Building Authority of Puerto Rico.

Carlos J. Miranda has been employed by E. H. Gutiérrez AIA & Associates as Manager of Design and in other capacities since 1966. Prior to that, from 1964 to 1966, he was associated with Puerto Rican Investment Corp.

Luis A. Pieras has been employed by E. H. Gutiérrez AIA & Associates as Manager of Processing and in other capacities since 1966. Prior to that, from 1964 to 1966, he was associated with SACMAG of Puerto Rico.

Juan Sierra has been employed by E. H. Gutiérrez AIA & Associates as Manager of Planning and in other capacities since 1968. Prior to that, from 1964 to 1968, he was associated with the Puerto Rico Planning Board.

Jorge García has been employed by E. H. Gutiérrez AIA & Associates as Manager of Coordination and in other capacities since 1968. Prior to that, from 1964 to 1968, he was associated with SACMAG of Puerto Rico.

Remuneration

Between February 12, 1969, the date of its incorporation and July 31, 1969, the Company paid no direct remuneration to its officers and directors. It is estimated that over the next twelve months the aggregate direct remuneration of the three highest paid officers and all officers and directors as a group will be as follows:

Name of individual or identity of group	Capacity	Estimated Aggregate Remuneration
Enrique H. Gutiérrez	Chairman of the Board	$ 60,000.00
Ariel E. Gutiérrez	President	$ 45,000.00
Jorge P. Machado	Treasurer	$ 39,000.00
All Directors and Officers as a group		$228,100.00

The Company is considering the institution of profit sharing and pension plans although no definite plans had been formulated as at the date of this Prospectus. The Company does not maintain a stock option plan and does not have any employment agreements with its officers or employees.

TRANSACTION WITH AFFILIATED PERSONS

Between February and July 1969, Messrs. Enrique H. and Ariel E. Gutiérrez paid to the Company $1,000 in cash and transferred to the Company their respective stockholdings in the 35 corporations listed in the table appearing under caption "Business - Current and Completed Projects". In exchange for such cash and stock, the Company issued to the Gutiérrez Brothers an aggregate of 651,266 shares of Common Stock of the Company (see "Principal Stockholders") The cost basis to the Gutiérrez Brothers of the stock in such 35 corporations was $650,266. In addition, E.H. Gutiérrez AIA & Associates (hereinafter called "Associates"), which is a partnership in which the Gutiérrez Brothers are the sole partners transferred to the Company certain operating assets, accounts receivable and cash in satisfaction of approximately $172,424 as a partial payment against indebtedness owing to the Company. Such amount was equal to Associates' book value for such assets.

Associates has heretofore rendered professional architectural and engineering services to the 35 corporations referred to in the preceding paragraph and will continue to render such services in connection with the Company's current and future projects. For the 12-month period ended July 31, 1969, the 35 corporations paid aggregate fees of approximately $940,100 to Associates. Under applicable Puerto Rican laws regulating architects and engineers, Associates may not render professional architectural and engineering services to the Company without charge or at rates other than the standard rates fixed by the College of Architects, Engineers and Surveyors of Puerto Rico. However, in order to reduce, to the fullest extent permitted under applicable law, the cost to the Company of the services to be rendered by Associates in connection with current and future projects, all non-professional functions such as drafting, the production of blue prints, accounting and clerical functions, previously performed by Associates itself will instead be performed directly by the Company's employees and charged to Associates. The net result of this arrangement will be to compensate Associates for only those professional architectural and engineering functions which, under applicable laws, must be performed by it.

r. Héctor Ceinos, a director and the Secretary of the Company, is
e general counsel for the Company. For the 12-month period ended
y 31, 1969, the Company paid or accrued to Mr. Ceinos $16,500:00
fees for legal services rendered by him to the Company and those of
e 35 corporations referred to above as are 50% or more owned by the
ompany. Mr. Ceinos received additional legal fees during such period
r legal services rendered by him to certain of such 35 corporations
hich are less than 50% owned by the Company.

PRINCIPAL STOCKHOLDERS

As of July 31, 1969, Mr. Enrique H. Gutiérrez owned beneficially and of record 458,126 shares of Common Stock of the Company constituting 70.34% of the shares outstanding and Mr. Ariel E. Gutiérrez owned beneficially and of record 193,140 shares constituting 29.66% of the outstanding shares of the Company. Of the total number of shares of Common Stock of the Company to be outstanding immediately after the issuance of the 15,000 shares offered by this Prospectus, the sale of 200,000 shares to Capital Growth Fund and the transfer by the Gutiérrez Brothers of 10,000 outstanding shares owned by them to the finder in connection with such sale, Enrique H. Gutiérrez will own 52.89% and Ariel E. Gutiérrez will own 22.29% of the outstanding shares of the Company. The Gutiérrez Brothers may be deemed to be "parents" of the Company under the Uniform Securities Law of Puerto Rico and within the meaning of the U.S. Act. They may also be considered the "founders" of the Company within the meaning of said U.S. Act.

As of July 31, 1969, all officers and directors of the Company, as a group, owned 651,266 shares of Common Stock of the Company which constituted 100% of the shares then outstanding. All of such shares were owned by the Gutiérrez Brothers and, after giving effect to the issuances of additional shares and the transfer of 10,000 outstanding shares by the Gutiérrez Brothers referred to in the preceding paragraph, the Gutiérrez Brothers will continue to own 641,266 shares constituting 74.03% of the total shares to be outstanding. To the extent that any officers of the Company purchase any of the 7,350 shares to be offered hereunder initially to certain officers and employees of the Company, all officers and directors, as a group, will then own in excess of the 641,266 shares to be owned by the Gutiérrez Brothers.

DESCRIPTION OF COMMON STOCK

At the date of this Prospectus, the authorized capital stock of the Company consists of 1,000,000 shares of common stock, $1.00 par value per share. Each shareholder is entitled to one vote per share on all matters to be voted upon, including elections of directors. All of the outstanding shares of Common Stock are, and the shares to be issued hereunder and to Capital Growth Fund will be, validly issued, fully paid, and non assessable. Shareholders have no pre-emptive rights, are entitled to receive dividends ratably when they are declared by the Board of Directors and, on liquidation, will share ratably in the net assets of the Company. The Company will act as its own transfer agent.

Non-cumulative voting

The shares of Common Stock do not have cumulative voting rights which means that the holders of more than 50% of the shares, i.e., the "Gutiérrez Brothers" (see the caption "Principal Stockholders") voting for the election of directors can elect 100% of the directors if they choose to do so and, in such event, the holders of the remaining shares will not be able to elect any director.

Reports to Stockholders

The Company's fiscal year ends on July 31, a financial report, including a balance sheet and profit and loss statement, will be prepared and certified by a firm of independent certified public accountants and sent to all stockholders each year after the close of each fiscal year.

LEGAL OPINIONS

Legal matters in connection with the securities referred to in this Prospectus will be passed upon for the Company by Mr. Héctor Ceinos, whose address is Banco de Ponce Building, Suite 902, Santurce, Puerto Rico. Mr. Héctor Ceinos is a member of the Board of Directors and the Secretary of the Company and intends to purchase shares offered under this Prospectus (see caption "Management").

EXPERTS

The audited financial statements of the Company and certain of its subsidiaries included in this Prospectus have been examined by García, Malavé y Vázquez, suite 100, Condominio San Martín Bldg., Santurce, Puerto Rico, independent certified public accountants, to the extent set forth in their reports herein. Such financial statements have been included in this Prospectus in reliance upon the authority of said firm as experts in auditing and accounting.

REGISTRATION STATEMENT

Information in addition to that contained in this Prospectus is set forth in the Registration Statement and exhibits relating thereto, which the Company has filed with the Office of Securities of the Treasury Department of the Commonwealth of Puerto Rico under the Uniform Securities Act of Puerto Rico. Statements contained in this Prospectus as to the contents of any agreement are not necessarily complete and in each instance reference is made to the copy thereof filed as an exhibit to Registration Statement, each such statement being qualified in all respects by such reference. For further information with respect to the Company, and the securities offered hereby, reference is made to the Registration Statement, including the exhibits, financial statements and schedules filed as a part thereof.

transfer agent and the registrar for the Common Stock of the

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AUDITED FINANCIAL STATEMENTS

E. H. G. ENTERPRISES, INC.

SAN JUAN, PUERTO RICO

July 31, 1969

ooOoo

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Page 3

nts' Report 4

Sheet 5

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Financial Statements

ooOoo

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[illegible] VAZQUEZ & CO.
Certified Public Accountants
MEMBER OF
PUERTO RICO INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

[illegible]
SAN MARTIN
LEON AVENUE

TEL. [illegible]
P. O. [illegible]
SANTURCE, PUERTO RICO

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Board of Directors
E. H. G. Enterprises, Inc.
San Juan, Puerto Rico

We have examined the balance sheet of E. H. G. Enterprises, I
as of July 31, 1969, and the related statement of income and retained earnings
for the period from February 12, 1969 (date of incorporation) to July 31, 1969.
Our examination was made in accordance with generally accepted auditing standard
and accordingly included such tests of the accounting records and such other
auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statement
income and retained earnings present fairly the financial position of E. H. G.
Enterprises, Inc. as of July 31, 1969, and the results of its operations for th
period from February 12, 1969 (date of incorporation) to July 31, 1969, in con-
formity with generally accepted accounting principles.

García, Martínez, Vázquez & Co.

San Juan, Puerto Rico
September 3, 1969

BALANCE SHEET

E. H. C. ENTERPRISES, INC.

July 31, 1969

ASSETS

RRENT ASSETS		
Cash		$ 6,944.61
Receivables from an affiliated company:		
8% loan due on demand - Note B	$327,575.88	
Commissions ($14,500.00) and accrued interest	15,009.56	342,585.44
Sundry loans receivable, including accrued interest ($482.10)		21,667.76
Short-term investments in marketable securities - at cost		5,100.00
TOTAL CURRENT ASSETS		$ 376,297.81
VESTMENTS IN AND RECEIVABLES FROM AFFILIATED COMPANIES - Note C		
Investments in shares of Common Stock - at cost which is not in excess of equity in underlying assets	$650,266.00	
Loans receivable ($102,713.13) and interest accrued thereon	105,199.53	755,465.53
PERTY AND EQUIPMENT - at cost - Note B		
Motor vehicles ($44,358.26) and motor boats - net of allowances for depreciation ($1,172.70)		94,333.78
		$1,226,097.12

ee notes to financial statements.

LIABILITIES

T LIABILITIES		
es payable - unsecured - due on demand		$ 20,000.00
ns payable to stockholder ($5,000.00) and to others - unsecured		10,204.74
counts payable ($4,394.05) and accrued expenses		9,894.05
come tax payable - estimated		1,100.00
rrent portion of long-term debt		114,199.03
TOTAL CURRENT LIABILITIES		$155,397.82
RM DEBT		
note payable to bank - guaranteed by the stockholders, requires monthly installment payments of $10,140.00 each, including interest. Last installment is due and payable in March 1974	$473,630.70	
ditional sales contracts payable - guaranteed with chattel mortgages on motor vehicles and motor boat. Require monthly installment payments aggregating $2,272.74, including interest and finance charges	56,048.43	
	$529,679.13	
ss amount classified as current liabilities	114,199.03	415,480.10
LDERS' EQUITY - Notes C and D		
mon Stock, par value $1.00 a share: Authorized 1,000,000 shares; issued and outstanding 651,266 shares	$651,266.00	
tained earnings	3,953.20	655,219.20
		$1,226,097.12

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STATEMENT OF INCOME AND RETAINED EARNINGS

E. H. G. ENTERPRISES, INC.

For the period from February 12, 1969 (date of incorporation)

to July 31, 1969

t earned		$14,925.12
ions earned ($14,500.00) and ends received		14,521.30
		$29,446.42
EXPENSES		
st expense	$17,562.87	
and professional fees	5,530.60	
iation	1,172.70	
relations and promotion	94.05	
	33.00	24,393.22
INCOME BEFORE TAXES ON INCOME		$ 5,053.20
for taxes on income - estimated		1,100.00
NET INCOME AND RETAINED EARNINGS at July 31, 1969		$ 3,953.20

otes to financial statements.

Not Being Reproduced

NOTES TO FINANCIAL STATEMENTS - Cont.

E. H. S. ENTERPRISES, INC.

July 31, 1969

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The Company is contemplating the sale of 215,000 shares of its Common Stock through a private sale to an investment company (200,000) and through a public offering (15,000) to the general public at a price of $10.00 per share. If effect is given to this sale at July 31, 1969 taking into consideration the anticipated expenses directly related to the same, the stockholders equity in the Company would be as follows:

Common Stock - par value $1.00 a share: Authorized 1,000,000 shares; issued and outstanding 866,266 shares	$ 866,266.00
Capital paid in excess of par value of shares of common stock	1,910,000.00
Retained earnings	3,922.01
	$2,780,188.01

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EXH B

5

Stroock & Stroock & Lavan

61 Broadway

New York, New York 10006

TELEPHONE (212) HA 5-5200

CABLE ADDRESS "STROOCK"

MAXWELL H. HABO
COUNSEL

EDOL M. STROOCK (1888-1964)

WASHINGTON, D. C. 20036
1100 CONNECTICUT AVENUE N.W.
TELEPHONE (202) 293-1980
CABLE ADDRESS
STROOCK-WASHINGTON, D.C.

PARIS 8e, FRANCE
18-20 PLACE DE LA MADELEINE
TELEPHONE 742-23-33
CABLE ADDRESS
STROOCK-PARIS

...R L. LAVAN
...TON B. ULLICH
...ERT D. NIEFFEL
...M. STROOCK
...ID SHEN
...UEL HOFFMAN
...UN N. SCOFIELD
...NALD L. BRANDES
...TIN D. EILE
...LBERT LAZERUS
...D TUBART
...IAM J. VANDEN HEUVEL
...LES R. TAINE
...SAGE E. COWAN
...WIN MILLIMET
...HUR WITTENSTEIN
...MAN HAMMER
...LES M. SHERMAN
...NALIN FELDMAN
...LIAM A. PERLMUTH
...SHE A. MANNING
...IS G. COLE
...L I. KANTER
...ARLES G. MOERDLER
...WARD SCHNEIDER
...IN R. HELLERSTEIN
...ARLES B. HOCHMAN
...RNARD LILES

August 20, 1969

Mr. Ariel E. Gutierrez
EHG Enterprises, Inc.
Caribbean Towers Bldg. Suite 210
Santurce, Puerto Rico

Re: EHG Enterprises, Inc.

Dear Ariel:

I am pleased to enclose a no action letter dated August 18, 1969 from the Securities and Exchange Commission in respect of the proposed offering in Puerto Rico and the concurrent offering to Capital Growth Fund.

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Cordially yours,

Carl Kanter

CK:mac
Encl.

cc:Hector Celnos, Esq.

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

DIVISION OF
CORPORATION FINANCE

AUG 18 1969

Carl Kanter, Esq.
Messrs. Stroock & Stroock & Lavan
61 Broadway
New York, New York 10006

Re: E.H.G. Enterprises, Inc.

Dear Mr. Kanter:

In your letter of August 13, 1969, you advised us of a proposed public offering in Puerto Rico of 25,000 shares by the above company without compliance with the registration requirements of the Securities Act of 1933 in reliance upon the exemption therefrom provided by Section 3(a)(11) thereof, as well as the concurrent sale of 200,000 shares to one foreign institutional investor under the conditions set forth in the first paragraph on page two of your letter.

Based upon the representations in your letter, we see no reason to disagree with your opinion that both the offering in Puerto Rico and the offering to the foreign institutional investor are not subject to the registration requirements of the Act.

Very truly yours,

Courtney Whitney, Jr.

Courtney Whitney, Jr.
Chief Counsel

OCK & STROOCK
61 BROADWAY
NEW YORK, N.Y. 10006

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EXHC

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August 13, 1969

Securities and Exchange Commission
Washington, D.C. 20549

Re: E.M.G. Enterprises, Inc.

Gentlemen:

We are acting as special counsel to E.M.G. Enterprises, Inc. ("EMG"), a Puerto Rican corporation, in connection with a financing proposed by EMG. We have been advised that EMG was organized in February 1969 and succeeded to various real estate interests of its organizers, Enrique M. Gutierrez and Ariel E. Gutierrez. EMG is engaged in construction and general real estate activities in Puerto Rico, its office is located in Puerto Rico and all of its officers and directors reside in Puerto Rico.

EMG is proposing to make a public offering of 25,000 shares of its common stock at $10.00 per share in Puerto Rico solely to persons who are resident in and citizens of Puerto Rico. The offering will be made pursuant to a prospectus to be filed with the Securities Office of the Department of the Treasury of the Commonwealth of Puerto Rico under the Uniform Securities Act of Puerto Rico. The stock will be offered to a limited number of persons all of whom will be required to represent that they are residents and citizens of Puerto Rico and to agree that no transfer of the stock may be made to any person who is not a resident or citizen of Puerto Rico except upon the prior written consent of EMG based upon an opinion of its counsel. The certificates representing the shares will be appropriately legended to such effect. It is expected that if a trading market for the common stock develops in Puerto Rico, it will be a rather inactive market in view of the small number of shares being sold.

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In addition, concurrently with the offering in Puerto Rico, [illegible] plans to sell 200,000 shares of its common stock at $10.00 per share to a foreign institutional investor who will purchase the common stock for its own account and will agree contractually that, except upon the prior written consent of PMC based upon an opinion of counsel to PMC, the stock may not be resold to any person who is either a resident or citizen of the United States or any of its territories or possessions for at least three years from the time of purchase unless the securities are registered under the Securities Act of 1933 as amended (the "Act"). The certificates representing the shares will be appropriately legended to such effect.

Under the above circumstances, we are of the opinion that the offering in Puerto Rico is exempt from the registration requirements of the Act on the basis of Section 3(a)(11) thereof as an offering sold only to persons resident within a single state or territory, Puerto Rico being defined in Section 2(6) as a territory. In addition, based upon Release No. 4708 under the Act, wherein it is stated that the Securities and Exchange Commission has traditionally taken the position that the registration requirements of Section 5 of the Act are primarily intended to protect American investors and that the Commission has not taken any action for failure to register securities of the United States corporations distributed abroad to foreign nationals, assuming in these situations that the distribution is to be effected in a manner which will result in the securities coming to rest abroad and that the offering is made under circumstances reasonably designed to preclude distribution or redistribution of the securities within, or to nationals of, the United States, we are of the opinion that the sale of common stock to the foreign institutional investor will not require registration under the Act.

We recognize that the proposed offering in Puerto Rico and the sale to the foreign institutional investor might be, but need not necessarily be, deemed to be one integrated offering. However, we believe that the reasons for the exemption provided in Section 3(a)(11) of the Act are applicable notwithstanding the offering to one foreign national not intended to be protected by the Act. We point out that under Release No. 4708, in the case of a private offering in the United States and a concurrent public or private offering abroad, the foreign and United States offerings need not be integrated. We also point out that the

offering in Puerto Rico will be fully registered by qualification under Puerto Rican law.

Will you please consider the foregoing and advise us that, if MIG should proceed with the proposed financing program outlined on the basis of our opinion, the staff will recommend that no action be taken by the Commission in connection therewith.

Very truly yours,

Stroock & Stroock & Lavan

By: Carl Kanter

CK:mac

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EXH D-

ESTADO LIBRE ASOCIADO DE PUERTO RICO
Ante La
OFICINA DE VALORES
Departamento de Hacienda
San Juan, P.R. 00905

18 de septiembre de 1969.

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n el Asunto de	:	ORDEN FIJANDO FECHA DE EFECTIVIDAD A LA DECLARACION DE INSCRIPCION A TENOR CON EL ARTICULO 303 (c) DE LA LEY UNIFORME DE VALORES DE PUERTO RICO
. H. G. ENTERPRISES, INC.	:	
egistro Número S-385	:	

ORDEN

E. H. G. Enterprises, Inc. radicó en la Oficina de Valores del Departamento de Hacienda una solicitud de inscripción de valores que lleva el número de registro arriba indicado y de acuerdo a lo dispuesto en el Artículo 304 de la Ley Uniforme de Valores de Puerto Rico.

SE ORDENA, de conformidad con el Artículo 304 (c) de la Ley Uniforme de Valores, que la fecha de efectividad de la antes referida solicitud de inscripción sea el 5 de septiembre de 1969.

Se llama la atención a la Regla S-4 del Reglamento de la Ley Uniforme de Valores relativa al requisito de someter informes trimestrales sobre el progreso de la oferta de Valores en el formulario S-4. También, a la Regla S-9 relativa al requisito de radicar copias del prospecto final y otra literatura o anuncios relacionados con dicha oferta y a la Regla S-8 relacionada con la entrega de un prospecto a cada persona a quien se haga una oferta de dichos valores.

Además, se llama la atención a las disposiciones del Artículo 405 de la Ley que declara ilegal el hacer ciertas representaciones con relación al hecho de que los valores están inscritos en la Oficina de Valores del Departamento de Hacienda.

Por el Administrador, a tenor
con autoridad delegada,

Diego J. De Jesús, Director
Oficina de Valores

September 10th , 1969

EIIG Enterprises, Inc.
Ponce de Leon No. 760
Caribbean Towers Building
Suite 210
Santurce, Puerto Rico

Gentlemen:

The undersigned hereby subscribes for the purchase from you of 200,000 shares of common stock, par value $1 per share (the "Shares"), of EIIG Enterprises, Inc., a Puerto Rico Corporation (the "Company"), for the sum of $10 (U. S.) per share. The aggreate purchase price of $2,000,000 (U. S.) for the Shares is being paid concurrently herewith by certified or bank cashier's check to the order of the Company.

In connection with this subscription, the undersigned acknowledges to you that the undersigned is fully familiar with the business which the Company is engaged in and with the financial condition of the Company and that the undersigned has received a Prospectus of the Company relating to the public offering of 15,000 shares of common stock, par value $1 per share, of the Company withing the Commonwealth of Puerto Rico and certain supplementary materials.

The undersigned represents and warrants to you that all of the Shares being subscribed for are being acquired solely for the account of the undersigned without any intention to sell or distribute the same. The undersigned, for itself and its assigns, agrees that, except upon the prior written consent of the Company based upon an opinion of counsel for the Company, the Shares (and the certificate(s) representing the Shares), may not be sold or otherwise transferred to any person who is either a resident or citizen of the United States of America, or any of its territories or possessions (including the Commonwealth of Puerto Rico), for a period of three (3) years from the date hereof, unless a Registration Statement under the United States Securities Act of 1933, as amended, is then in effect with respect thereto. The undersigned, for itself and its assigns, further agrees that the Shares subscribed for hereunder shall be issued in one certificate registered in the name of the undersigned and shall bear a legend setting forth the substance of the restrictions set forth

.../..

in the preceding sentence. You are further authorized to instruct the transfer agent and the registrar for the Common Stock of the Company not to transfer any of the Shares (or the certificate(s) representing the Shares) unless the transfer agent and the registrar have received specific written authorization and direction from the Company.

You and the undersigned acknowledge and agree that New Providence Securities Limited, Nassau, Bahamas Islands ("Broker"), has acted as broker in connection with the purchase by the undersigned of the Shares subscribed for hereunder and you agree to pay a commission of 50 cents per share for each of the 200,000 Shares to be purchased hereunder to the Broker promptly upon the consummation of this purchase. In addition, Alberto Inocente Alvarez has acted as a finder in connection with such purchase and is to receive 10,000 outstanding shares of Common Stock of the Company from Enrique H. Gutiérrez and Ariel E. Gutiérrez who are presently the sole stockholders of the Company. The undersigned affirms to you that no persons other than the Broker and Mr. Alvarez have acted as finder or broker in connection with the purchase and that the undersigned will see to it that neither the Company nor Enrique or Ariel Gutiérrez have any responsibility whatsoever with respect to any claims which may be made by anyone other than the Broker and Mr. Alvarez for a finder's fee, commission or the like.

This letter, when accepted by you, shall constitute the entire agreement between us with respect to the subject matter hereof.

Very truly yours,

CAPITAL GROWTH FUND

By: Harry H Crow

Executive Vice President.

Subscription Accepted and Agreed to:

EHG ENTERPRISES, INC.

By: E H Gutierrez

CHAIRMAN OF THE BOARD.

: of 1933 and encum- upon the prior written consent of the issuer [illegible] either a resident or citizen of
a foreign, may not be sold or otherwise transferred to any person who is either a resident or citizen of the United States of America, or any of its territories or possessions (including the Commonwealth of P
for a period of three (3) years from September 5, 1969, unless a registration statement under sai

INCORPORATED UNDER THE LAWS OF
THE COMMONWEALTH OF PUERTO RICO

No. *9* Shares 200,000

E. H. G. ENTERPRISES, INC.

Authorized Capital Stock $1,000,000.00

Par Value $1.00 Per Share

THIS CERTIFIES THAT ARAWAK TRUST CO. LTD AS TRUSTEE FOR INDUSTRIAL GROWTH FUND is the owner of

TWO HUNDRED THOUSAND Shares of ONE---00/100 DOLLAR each of the Capital Stock of

E. H. G. ENTERPRISES, INC.

transferable only on the books of the Corporation by the holder hereof in person or by Attorney upon surrender of this Certificate properly endorsed.

In Witness Whereof, the said Corporation has caused this Certificate to be signed by its duly authorized officers and to be sealed with the Seal of the Corporation this TENTH Day of SEPTEMBER A.D. 19 69

Orlando E. Cabanillas, President

Hector Ceinos
Secretary.

$1.00

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Value Received, [illegible]

LACOVARA & CO.
13-6062847
c/o FIDUCIARY TRUST COMPANY OF NEW YORK
P.O. Box 924
Wall Street Station
New York, New York 10005

l, assign and transfer unto

(200,000) Shares of the

ock of the E. H. G. ENTERPRISES INC.

n name on the books of said

ed by Certificate No. 9 herewith, and do hereby irrevocably constitute and

attorney

r the said stock on the books of the within named Company, with full power of substitution in the

ARAWAK TRUST CO. LTD. AS TRUSTEE FOR
INDUSTRIAL GROWTH FUND

22 June 1971

Director

Signature

Director

CE OF

A. Bo

P.O. Box 1447,
Nassau,
Bahamas

Signature Guaranteed
FIDUCIARY TRUST CO.
OF NEW YORK
AUTHORIZED SIGNATURE

WER

[illegible] who is [illegible] a resident or citizen of [illegible]

E-253

...W YORK

...L WALL STREET
...W YORK 10005
...21 Digby 4-0010

J , 1971

E.H.G. ENTERPRISES
P. O. BOX 13171
SANTURCE, PUERTO RICO 00908

Dear Sirs: XXXXXX

We are enclosing by first class registered mail, insured:
200,000 SHARES E.H.G. ENTERPRISES, INC.

Ctf. No.	No. Shs.	Registered in name of
9	200,000	ARAWAK TRUST CO. LTD. AS TRUSTEE FOR INDUSTRIAL GROWTH FUND

Please transfer this stock as follows:

1 X 200,000 LACOVARA & CO.
13 6262847
C/O FIDUCIARY TRUST COMPANY OF NEW YORK
P. O. BOX 924
WALL STREET STATION
NEW YORK, NEW YORK 10005

Upon completion of the transfers, kindly forward the new certificates to us.

Please acknowledge receipt of the above by signing and returning the carbon copy of this letter.

Very truly yours,

FIDUCIARY TRUST COMPANY OF NEW YORK

...ate:
...eceipt of the above acknowledged.

COPY

Case 31-2M.

...upon the prior written consent of the issuer ... forwarded to any person who is either a resident or citizen of ...

EXH

...shares of common stock represented hereby have not been registered under the United States Securities Act. of 1933 and may not be sold or otherwise transferred to any person except a resident of the Commonwealth of Puerto Rico except upon the prior written consent of the issuer given based upon written opinion of counsel for the issuer that such sale or transfer will not violate said act.

INCORPORATED UNDER THE LAWS OF

THE COMMONWEALTH OF PUERTO RICO

No. 99

Shares 200,000

E. H. G. ENTERPRISES, INC.

Authorized Capital Stock $1,000,000.00

Par Value $1.00 Per Share

THIS CERTIFIES THAT LACOVARA & CO. C/O FIDUCIARY TRUST COMPANY OF NEW YORK is the owner of TWO HUNDRED THOUSAND Shares of ONE --- 00/100 DOLLAR each of the Capital Stock of E. H. G. ENTERPRISES, INC.

transferable only on the books of the Corporation by the holder hereof in person or by Attorney upon surrender of this Certificate properly endorsed.

In Witness Whereof, the said Corporation has caused this Certificate to be signed by its duly authorized officers and to be sealed with the Seal of the Corporation this 16th. day of JULY A.D. 1971

Ariel E. Gutierrez
President

Hector Celnos
Secretary

SHARES $1.00 EACH

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For Value Received, _____

hereby sell, assign and transfer unto Capital Growth Company, S.A.

(200,000) Shares of the

Capital Stock of the E H C ENTERPRISES

standing in our name on the books of said company

represented by Certificate No. 99 herewith, and do hereby irrevocably constitute and

appoint _____ attorney

to transfer the said stock on the books of the within named Company, with full power of substitution in the premises.

Dated February 21, 1972

In Presence of

_____

Lacovara & Co

by Andrew O'Connell Partner.

Signature Guaranteed
FIDUCIARY TRUST CO.
OF NEW YORK
Riccardi
AUTHORIZED SIGNATURE

STOCK POWER
SC-53

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The shares of common stock represented hereby have not been registered under the United States Securities Act of 1933 and may not be sold, offered or otherwise transferred to any person except a resident of the Commonwealth of Puerto Rico except upon the prior written consent of the issuer given based upon written opinion of counsel for the issuer that such sale or transfer will not violate said act.

INCORPORATED UNDER THE LAWS OF

THE COMMONWEALTH OF
PUERTO RICO

106

SHARES 200,000

E. H. G. ENTERPRISES, INC.

Authorized Capital Stock $1,000.00

Par Value $1.00 Per Share

THIS CERTIFIES THAT CAPITAL GROWTH COMPANY, S.A. is the owner of

TWO HUNDRED THOUSAND Shares of ONE DOLLAR ($1.00) each of the Capital Stock of

E. H. G. ENTERPRISES, INC.

transferable only on the books of the Corporation by the holder hereof in person or by Attorney upon surrender of this Certificate properly endorsed.

In Witness Whereof, the said Corporation has caused this Certificate to be signed by its duly authorized officers and to be sealed with the Seal of the Corporation this 16th day of March A.D. 19 72.

Ariel E. Gutierrez
President

Héctor Coinos
Secretary

SHARES $1.00 PAID

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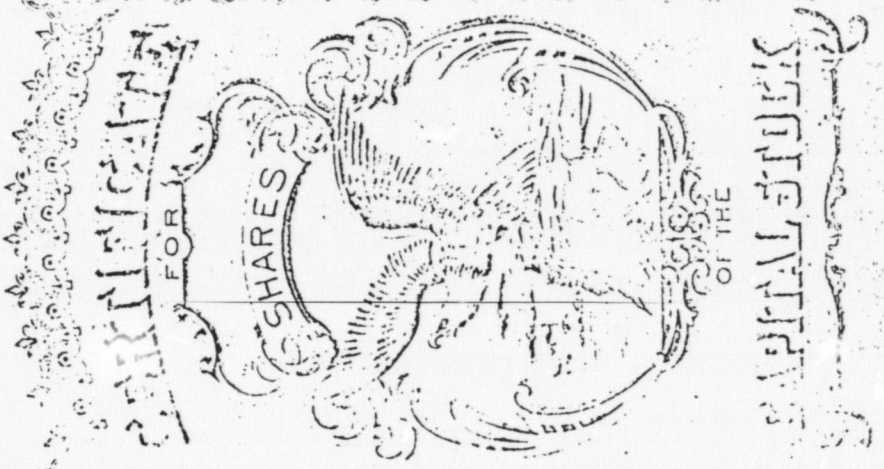
ONLY COPY AVAILABLE



For Value Received, ____ *hereby sell, assign, and transfer unto* _____

_____ *Shares of the Capital Stock represented by the within Certificate, and do hereby irrevocably constitute and appoint* _____

to transfer the said Stock on the books of the within named Corporation with full power of substitution in the premises.

Dated _____ 19

In presence of

CAPITAL CROZET
REGISTERED

NOTICE THE SIGNATURE TO THIS ASSIGNMENT
MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE
FACE OF THE CERTIFICATE IN EVERY PARTICULAR, WITHOUT
ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATEVER.

FIRMIN.
2, RUE DE LA BOURSE

The Shares of common stock represented hereby have not been registered under the United States Securities Act. of 1933 and may not be sold or otherwise transferred to any person except a resident of the Commonwealth of Puerto Rico except upon the prior written consent of the issuer given based upon written opinion of counsel for the issuer that such sale or transfer will not violate said act.

EXH 4

INCORPORATED UNDER THE LAWS OF

THE COMMONWEALTH OF PUERTO RICO

108

200,000

E. H. G. ENTERPRISES, INC.

Authorized Capital Stock $1,000,000.00

Par Value $1.00 Per Share

THIS CERTIFIES THAT J. H. BURKE is the owner of

200,000 Shares of $1.00 each of the Capital Stock of

E. H. G. ENTERPRISES, INC.

transferable only on the books of the Corporation by the holder hereof in person or by attorney upon surrender of this Certificate properly endorsed.

In Witness Whereof, the said Corporation has caused this Certificate to be signed by its duly authorized officers and to be sealed with the Seal of the Corporation this 14th day of Sept. A.D. 1972

Ariel E. Gutierrez
President

Hector Colon
Secretary

SHARES $1.00 EACH

E-258

ONLY COPY AVAILABLE

ONLY COPY AVAILABLE

E-259

CAPITAL STOCK

SHARES

ISSUED TO

DATED

For Value Received, ____ hereby sell, assign and transfer

unto _____ Shares

of the Capital Stock represented by the within Certificate, and do hereby irrevocably constitute and appoint

_____

to transfer the said Stock on the books of the within named Corporation with full power of substitution in the premises.

Dated _____ 19__

_____

BANQUE DE FINANCEMENT S.A. "FINABANK"

BANQUE DE FINANCEMENT S.A.
„FINABANK"
2, RUE DE LA DOUBSE
1200 GENEVE

E-26 ONLY COPY AVAILABLE

(a) 5912346 BARCLAYS BANK D.C.O.

INCORPORATED IN THE UNITED KINGDOM WITH LIMITED LIABILITY.

HEAD OFFICE FOR OVERSEAS BUSINESS
54 GRACECHURCH STREET,
LONDON, E.C.3.

SEPTEMBER 19 7

ON DEMAND PAY TO THE

ORDER OF J. H. BURKE

THE SUM OF ONE MILLION THREE HUNDRED

U.S.$ 1,300,000

THOUSAND DOLLARS ONLY

To
BARCLAYS BANK D.C.O.
120, BROADWAY,
NEW YORK,
NEW YORK, 10005, U.S.A.

NOT EXCEEDING U.S. DOLLARS

For and on behalf of BARCLAYS BANK D.C.O.

MANAGER.

ACCOUNTANT.

⑆000123467⑈ ⑆0250⑉025⑆ 050⑉01000⑉0⑈

EXH. "J"

FOR: $100,000.00

ONLY COPY AVAILABLE

5

7

E-261

14 9:7/15

September, 1972

EXH
K

Mr. Ariel E. Gutierrez,
c/o EHG Enterprises, Inc.,
San Juan,
Puerto Rico.

Dear Mr. Gutierrez,

In connection with the purchase by you on the date hereof of 200,000 shares of Common Stock of EHG Enterprises, Inc. from the undersigned, the undersigned hereby acknowledges receipt from you of the sum of $1,300,000 which has been delivered by you.

Very truly yours,

J.H. Burke.

ONLY COPY AVAILABLE

E-262

September 14, 1972

Mr. Ariel E. Gutierrez,
c/o EHG Enterprises, Inc.,
San Juan,
Puerto Rico.

EXH. "L"

Dear Sir,

On the date hereof the undersigned is selling to you 200,000 shares of Common Stock of EHG Enterprises, Inc. By letter dated the date hereof the undersigned has made certain representations and warranties to you concerning such stock. You have advised the undersigned that in order to induce you to purchase such 200,000 shares from the undersigned in as much as you desire the financial security of a corporate party rather than an individual in connection with the making of representations and warranties to you, the undersigned hereby assigns to you all of his right title and interest in and to the letter agreement entered into on the date hereof between the undersigned and Capital Growth ~~Fund~~ Company S.A., a copy of which is attached hereto.

If the foregoing correctly sets forth our understanding, please indicate your agreement in the space provided below.

Very Truly Yours,

J. H. Burke

Agreed

Ariel E. Gutierrez

The undersigned hereby consents to the assignment of any and all obligations of the undersigned contained in the letter attached hereto, a copy of which has been initialled by the undersigned.

CAPITAL GROWTH ~~FUND~~ Company S.A.

By

E-263

September 17, 1972

Mr. J. H. Burke

Dear Sir,

The undersigned is selling to you 200,000 shares of Common Stock ("the stock") of EHG Enterprises, Inc. a Puerto Rico Corporation and in connection therewith the undersigned hereby represents and warrants to you as follows:

1. The undersigned has good and marketable title to the stock and the undersigned owns the stock free and clear of any security interest, claims, restrictions, liens or incumbrances;

2. The undersigned has full legal right, power and authority to sell, assign, transfer and deliver the stock to you and upon delivery of and payment for the stock, you will acquire good and marketable title to the stock free and clear of any security interest, claims, liens or incumbrances.

3. The sale by the undersigned to you of the stock has been duly authorised by the Board of Directors of the undersigned and the undersigned has full right, power and authority to make such sale.

Very Truly Yours,
CAPITAL GROWTH ~~FUND~~ S.A.
Company

By Clum McAgan

E-264

September 15, 1972

Mr. Ariel E. Gutierrez,
c/o EHG Enterprises, Inc.,
San Juan,
Puerto Rico.

EXH "A"

Dear Mr. Gutierrez,

On the date hereof, the undersigned Mr. J. H. Burke ("Seller") is selling to you ("Buyer"). 200,000 shares of Common Stock, par value $1. per share, ("the Stock") of EHG Enterprises, Inc. ("EHG") a Puerto Rico Corporation, and Buyer is delivering to Seller an aggregate of $1,300,000.

Seller hereby agrees with Buyer as follows:

1. Seller hereby represents and warrants to Buyer as follows:

   (a) Seller has good marketable title to the Stock and Seller owns the stock free and clear of any security interest, claims, restrictions, liens or encumbrances:

   (b) Seller has full legal right, power and authority to sell, assign, transfer and deliver the Stock to Buyer and, upon delivery of and payment for the Stock, Buyer will acquire good and marketable title to the Stock free and clear of any security interest, claims, restrictions, liens or encumbrances.

2. Seller has been advised by Buyer of the facts set forth below and with full knowledge of such facts Seller is selling to Buyer the 200,000 Shares of Common Stock of EHG:

   Buyer is the President and a substantial stockholder of EHG. EHG is presently negotiating for the sale of in excess of $9,000,000 principal amount of subordinated debentures of EHG. Such debentures would mature in fifteen years and would bear interest at the rate of approximately 8% per annum. Such debentures would provide for certain mandatory prepayments commencing in the sixth year. In connection with such purchase EHG would issue warrants to purchase in excess of 300,000 shares of Common Stock of EHG exercisable over a substantial period of years at $10 per share.

In connection with the foregoing, EHG is also negotiating for a related sale of in excess of $2,000,000 of Preferred Stock of EHG. Such Preferred Stock, which would bear a 5% dividend, would be convertible on a share-for-share basis into Common Stock of EHG.

A loan is being arranged to purchase the Stock and in connection therewith the lender may be granted an option by the Buyer to acquire a substantial number of the shares of Common Stock of EHG being acquired from Seller on the date hereof. Such option, which would expire in approximately three years, would be exercisable at approximately $6.50 per share.

There would also be certain rights to cause the registration of the shares of Common Stock of EHG referred to above under the United States Securities Act of 1933.

The undersigned has been furnished with financial statements of EHG at January 31, 1972. The undersigned are aware that by reason of various transactions since that date the financial condition and results of operations of EHG are presently better than as one might assume from an examination of the January 31, 1972 financial statements.

Very Truly Yours,

J. H. Burke

(d) To employ any ship or insurance brokers on the usual terms

E-266

Capital Group Company S.A. Investment in E.H.G. Enterprises agreement between J.H. Burke & Ariel E. Gutierrez	Sept 30, 1972	W.P. NO.	171
		ACCOUNTANT	F. Gold
		DATE	

September 14, 1972

a/30
4/4/73

Mr. Ariel E. Gutierrez,
C/o EHG Enterprises, Inc.,
San Juan, Puerto Rico.

Dear Mr. Gutierrez,

On the date hereof, the undersigned J. H. Burke ("Seller") is selling to you ("Buyer") 200,000 shares of Common Stock, par value $1. per share, ("the Stock") of EHG Enterprises, Inc. ("EHG") a Puerto Rico Corporation and Buyer is delivering to Seller the sum of $1,000,000 plus commission (in aggregate of 1.300,000)

Seller hereby agrees with Buyer as follows:

1. Seller hereby represents and warrants to Buyer as follows:

   (a) Seller has good and marketable title to the Stock and seller owns the Stock free and clear of any security interest, claims, restrictions, liens or encumbrances:

   (b) Seller has full legal right, power and authority to sell, assign, transfer and deliver the Stock to Buyer and, upon delivery of and payment for the Stock, Buyer will acquire good and marketable title to the Stock free and clear of any security interest, claims, restrictions, liens or encumbrances.

2. Seller has been advised by the Buyer of the facts set forth below and with full knowledge of such facts Seller is selling to Buyer the 200,000 shares of Common Stock of EHG.:

   Buyer is the President and a substantial stockholder of EHG. EHG is presently negociating for the sale of in excess of $9,000,000 principal amount of subordinated debentures of EHG. Such debentures would mature in fifteen years and would bear interest at the rate of approximately 8% per annum. Such debentures would provide for certain mandatory prepayments commencing in the sixth year. In connection with such purchase EHG would issue warrants to purchase in excess of 300,000 shares of common stock of EHG exercisable over a substantial period of years at $10 per share.

ONLY COPY AVAILABLE

(E. Gutierrez) 8
5-17-74

E-267

Capital Growth Company S.A. investment in E.N.G. Enterprises		W.P. NO.	VII-1
		ACCOUNTANT	F. Golden
greement between J.H. Burke &	Sept 30, 1972	DATE	
riel E. Gutiérrez			

In connection with the foregoing, EHG is also negotiating for a related sale of in excess of $2,000,000 of Preferred Stock of EHG. Such Preferred Stock, which would bear a 5% dividend, would be convertible on a share-for-share basis into Common Stock of EHG.

A loan is being arranged to purchase the Stock and in connection therewith the lender may be granted an option by the Buyer to acquire a substantial number of the shares fo Common Stock of EHG being acquired from Seller on the date hereof. Such option, which would expire in approximately three years, would be exercisable at approximately $6.50 per share.

There would also be certain rights to cause the registration of the shares of Common Stock of EHG referred to above under the United States Securities Act of 1933.

The undersigned has been furnished with financial statements of EHG at January 31, 1972, The undersigned is aware that by reason of various transactions since that date the financial condition and results of operations of EHG are presently better than as one might assume from an examination of the January 31, 1972 financial statements.

Very truly yours,

J. H. Burke

EXH C

The Shares of common stock represented hereby have not been registered under the United States Securities Act. of 1933 and may not be sold or otherwise transferred to any person except a resident of the Commonwealth of Puerto Rico except upon the prior written consent of the issuer given based upon written opinion of counsel for the issuer that such sale or transfer will not violate said act.

INCORPORATED UNDER THE LAWS OF

THE COMMONWEALTH OF PUERTO RICO

No. 109

Shares 200,000

E. H. G. ENTERPRISES, INC.

Authorized Capital Stock $1,000.000.00

Par Value $1.00 Per Share

THIS CERTIFIES THAT ARIEL E. GUTIERREZ is the owner of

200,000 Shares of $1.00 each of the Capital Stock of

E. H. G. ENTERPRISES, INC.

transferable only on the books of the Corporation by the holder hereof in person or by Attorney, upon surrender of this Certificate properly endorsed.

CANCELLED (OP. LONDON)

In Witness Whereof, the said Corporation has caused this Certificate to be signed by its duly authorized officers and to be sealed with the Seal of the Corporation this _____ day of _____ A.D. 19__

Ariel E. Gutierrez
President

Héctor Ceinos
Secretary

SHARES $1.00 EACH

E-268

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ONLY COPY AVAILABLE

CERTIFICATE FOR SHARES OF THE CAPITAL STOCK

ISSUED TO

DATED

For Value Received, ____ hereby sell, assign, and transfer unto _____

_____ Shares of the Capital Stock represented by the within Certificate, and do hereby irrevocably constitute and appoint _____

to transfer the said Stock on the books of the within named Corporation with full power of substitution in the premises.

Dated _____ 19____

In presence of

_____

NOTICE: THE SIGNATURE OF THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATEVER.

BEST COPY AVAILABLE

Exchange Commission with respect to such sale or transfer. "

" The shares evidenced by this certificate have not been registered under the Federal Securities Laws of the United States of America including Puerto Rico and may not be sold or transferred in the United States of America as aforesaid, or Canada or their territories or possessions or to residents or nationals thereof unless (1) a registration statement under the Securities Act of 1933 is in effect with respect to such shares, (2) an opinion of counsel for the issuer is received with respect to such sale or transfer, or (3) a no action letter or its then equivalent has been obtained from the Securities and

INCORPORATED UNDER THE LAWS OF

No. 111 Shares 200,000

E.H.G. ENTERPRISES, INC.

Authorized Capital Stock $10,250,000

Par Value $.01 Per Share

THIS CERTIFIES THAT BAHAMAS COMMONWEALTH BANK LIMITED is the owner of

Two Hundred Thousand each of the Capital Stock of

One Dollar E. H. G. ENTERPRISES, INC.

transferable only on the books of the Corporation by the holder hereof in person or by Attorney upon surrender of this Certificate properly endorsed.

In Witness Whereof, the said Corporation has caused this Certificate to be signed by its duly authorized officers and its Seal to be hereunto affixed.

Dated October 30th A.D. 1972

Countersigned and Registered

Chief E. Gutiérrez
President

Hector Celnos
Secretary

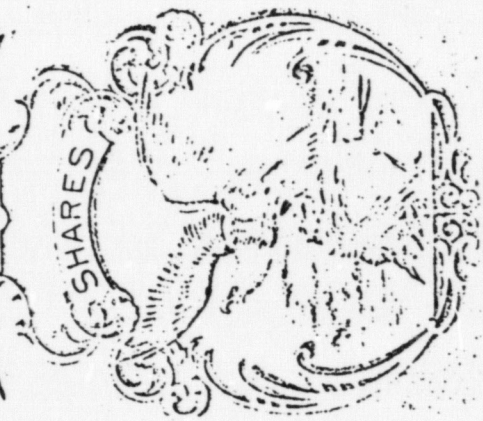
SEAL

$1.00

E-271

ONLY COPY AVAILABLE

CAPITAL STOCK



SHARES OF THE CAPITAL STOCK

ISSUED TO

DATED

For Value Received we hereby sell, assign and transfer unto Ariel E. Gutiérrez

Two Hundred Thousand (200,000) Shares of the Capital Stock represented by the within Certificate, and do hereby irrevocably constitute and appoint Demetrio Saenz

to transfer the said Stock on the books of the within named Corporation with full power of substitution in the premises.

Dated 15 March 1973

In presence of Bahamas Commonwealth Bank Limited

15 March 1973.

NOTICE: THE SIGNATURE OF THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATEVER.

EXH. =Q

otherwise transferred to any person except a resident of the Commonwealth of Puerto Rico except upon the prior written consent of the issuer given based upon written opinion of counsel for the issuer that such sale or transfer will not violate said act.

INCORPORATED UNDER THE LAWS OF

THE COMMONWEALTH OF PUERTO RICO

No. 113-A

Shares 200,000

E. H. G. ENTERPRISES, INC.

Authorized Capital Stock $10,250,000.00

Common Stock

Par Value $1.00 Per Share

CANCELLED

THIS CERTIFIES THAT ARIEL E. GUTIERREZ is the owner of

TWO HUNDRED THOUSAND Shares of One Dollar each of the Capital Stock of

E. H. G. ENTERPRISES, INC.

transferable only on the books of the Corporation by the holder hereof in person, or by Attorney, upon surrender of this Certificate properly endorsed.

In Witness Whereof, the said Corporation has caused this Certificate to be signed by its duly authorized officers and to be sealed with the Seal of the Corporation

This 16th day of March A.D. 19 73

President

Secretary

SHARES $1.00 EACH

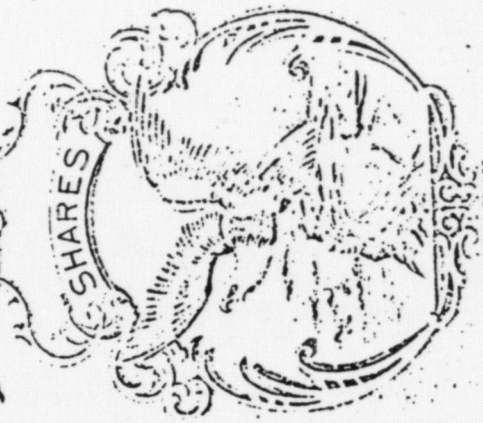
E-272

ONLY COPY AVAILABLE

E-273

ONLY COPY AVAILABLE

CAPITAL STOCK



CAPITAL STOCK

FOR SHARES OF THE

ISSUED TO

DATED

For Value Received, I hereby sell, assign and transfer unto EHG Enterprises of Florida, Inc.

Two Hundred Thousand (200,000) Shares of the Capital Stock represented by the within Certificate, and do hereby irrevocably constitute and appoint

Demetrio Saenz

to transfer the said Stock on the books of the within named Corporation with full power of substitution in the premises.

Dated July 31 19 73

In presence of

NOTICE THE SIGNATURE OF THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT, OR ANY CHANGE WHATEVER.

The Shares of common stock represented hereby have not been registered under the United States Securities Act. of 1933 and may not be sold or otherwise transferred to any person except a resident of the Commonwealth of Puerto Rico except upon the prior written consent of the issuer given based upon written opinion of counsel for the issuer that such sale or transfer will not violate said act.

EXH R

INCORPORATED UNDER THE LAWS OF

THE COMMONWEALTH OF
PUERTO RICO

113-B

No. 200,000

E. H. G. ENTERPRISES, INC.

Authorized Capital Stock $10,250,000.00

Common Stock
Par Value $1.00 Per Share

THIS CERTIFIES THAT EHG ENTERPRISES OF FLORIDA, INC. is the owner of

TWO HUNDRED THOUSAND Shares of ONE DOLLAR each of the Capital Stock of

E. H. G. ENTERPRISES, INC.

transferable only on the books of the Corporation by the holder hereof in person or by Attorney upon surrender of this Certificate properly endorsed.

In Witness Whereof, the said Corporation has caused this Certificate to be signed by its duly authorized officers and to be sealed with the Seal of the Corporation this 31st day of July A.D. 19 73

President

Secretary

SHARES PAR VALUE

E-274

ONLY COPY AVAILAB

E-275

PROMISSORY NOTE

FOR: $100,000.00 DATED: ON DEMAND

---FOR VALUE RECEIVED, the undersigned promises to pay on demand to E. H. G. ENTERPRISES INC., the principal sum of Four Hundred Thousand ($400,000.00) in legal currency of the United States of America at the domicile of the bearer. The undersigned further promises to pay interest upon the unpaid balance of the principal of this obligation, at the rate of one per cent (1%) monthly (upon the basis of a year of 360 days) from the date hereof until the date of full payment of this obligation. Interest hereon shall be payable in the same place as is hereinabove provided for payment of the principal hereof. - ---

---The undersigned hereby waives presentment, protest, demand and notice of non-payment. - ---

---In case recourse to the courts, including any proceedings under the Bankruptcy Act by the holder of this note becomes necessary in order to collect the whole or a portion of the amount of this note, the undersigned agreed to pay the court's expenses, costs, disbursements and attorney's fees which may be incurred in a liquidated sum equal to ten per cent (10%) of the claim sued, which amount will become immediately due and payable upon the filing of such proceedings. - ---

---The undersigned hereby submits to the venue of any court selected by the holder of this note in case of legal action for its collection. ---

---This note is a negotiable instrument under the Negotiable Instrument Law of Puerto Rico and its negotiability is not affected or impaired by reference to the mortgage deed. The undersigned hereby irrevocably waives any right or defense against any holder of this note for reason of non-negotiability. ---

---San Juan, Puerto Rico, this 22th day of September, 1969. ---

NEW PROVIDENCE SECURITIES LTD

Harry H. Crowe
Vice President
& Director

WITNESS

A. J. Schmidt

David O'Donnell

That simultaneously with the execution of this agreement

Capital Growth
Services Limited

Phone: 01-499 5066 (4 Lines) · Telex: 262284 One Mount Street, London W1

Directors: H.H. Crow (USA) J.R. Miller P.D. Rees

Mr. Hector Celnos,
Attorney & Counsellor at Law,
Ninth Floor,
Banco de Ponce Building,
Santurce,
Puerto Rico 00910.

28th April, 1970

Dear Hector,

The following is our tabulation of the cash flow between EHG Enterprises and N.P.S. Ltd., starting with the September 29, 1969 value of $400,000.00 which N.P.S. received from EHG on an unsecured loan basis.

29th September, 1969	$ 400,000.00
Repaid 20th October, 1969 $100,000. $\left(\frac{22}{365} \times 400,000 \times \frac{12}{100}\right)$	$ 2,893.15
Repaid 8th January 1970 $100,000. $\left(\frac{80}{365} \times 300,000 \times \frac{12}{100}\right)$	$ 7,890.41
Repaid 4th February 1970 $50,000. $\left(\frac{27}{365} \times 200,000 \times \frac{12}{100}\right)$	$ 1,775.34
Repaid 20th February 1970 $50,000 $\left(\frac{16}{365} \times 150,000 \times \frac{12}{100}\right)$	$ 789.04
April 10th, 1970 - New Agreement $\left(\frac{49}{365} \times 100,000 \times \frac{12}{100}\right)$	$ 1,610.96
	$ 14,958.90

/Continued ....

Mr. Hector Ceinos — 28th April, 1970

Capital still outstanding at 10th April, 1970		$100,000.00
Add interest to that date		14,958.90
		$114,958.90
LESS Insurance paid for Boat for period 28th March 1970 for the year	$9,429.00	
Less 35 days	336.00	$ 9,093.00
		$105,865.90
LESS $83,000 due 10th April, 1970		83,000.00
		$ 22,865.90
Payments due: 10th May	$3,000.00	
10th June	3,000.00	
10th July	3,000.00	
10th August	3,000.00	
10th September	3,000.00	
10th October	3,000.00	
10th Nov.	3,000.00	$ 21,000.00
		$ 1,865.90
First Payment due December 10th		$ 1,134.10
		$ 3,000.00

In addition to the coverage indicated on Page 1. of the Policy for personal injury up to $500,000.00, we also have excess liability coverage from $500,000.00 to $4,500,000.00, plus an excess on property damage of $80,000.00.

As soon as possible, I would appreciate receiving from Federal Investments Limited and EHC Enterprises confirmation of their agreement to the tabulations contained herein.

I would further like to point you that the yacht policy at the bottom of Page 1 specifically defines the waters in which the boat may operate under the provisions of the coverage. I spoke with

/Continued ....

Mr. Hector Coines 28th April, 1970

Charles Fry this morning asking the procedure if the yacht were ever taken into the Pacific. He said this information must be forwarded to them immediately and that he did not anticipate that Lloyds would make any additional charge for that time when the boat was in those waters; however, there is always that possibility.

I would suggest that any time a trip is pla- ed to Costa Rica and the Pacific that our London Office be notified so that we can be on record with the Insurance Company as much in advance as possible.

I should be grateful to hear from you as soon as possible regarding this matter.

With kindest regards,

Yours very truly,

HARRY H. CROW
Executive Vice President

c.c. Mr. James Millar
Nassau.

E-279

CHARTER PARTY LONDON Tenth day of April 1970

IT IS this day mutually agreed between NEW PROVIDENCE SECURITIES of P.O. Box 1065 Sassoon Buildings Nassau Bahamas (hereinafter called "the owners") of the one part and FEDERAL INVESTMENTS LIMITED a Corporation organized under the laws of the Bahamas with its principal office in San Jose, Costa Rica (hereinafter called "the hirers") of the other part that the owners will let and the hirers will take the 1969 eighty feet (Wood) Huckins Motor Yacht "Give Up" (Twin diesels) from noon of the tenth day of April 1970 or from the time thereafter at which the yacht is placed at the disposal of the hirer until the tenth day of April 1973 both days inclusive on the following conditions

1. The hirers will employ as master of the said motor yacht a duly certificated master mariner and such crew as is reasonably required for the maintenance upkeep and proper running and control of the vessel having regard to the voyage contemplated and the character of the vessel and will pay the agreed wages of the master and crew

2. During the currency of this Charter party the hirers will pay for all petrol grease oil and water consumed on the said motor yacht and all repairs to or replacements of glass china or other articles fixtures or fittings broken or injured and further will pay all harbour dues towage charges and all pilotage in foreign waters. An inventory of all chattels chinaware articles fixtures and fittings as of this date is attached hereto and made a part hereof and marked for identification purposes as Exhibit A ,

3. The hirers shall pay for all deck and engine room stores and shall maintain the vessel in a thoroughly efficient state in hull and machinery and will arrange for regular service of the engines in accordance with the makers instructions and will pay all chargeable costs arising thereout

4. The hirers shall indemnify and save harmless the owners against any breach of any condition of insurance or any obligation relating to the vessel and the handling thereof or any claim loss or damage resulting from any negligence or breach of duty on their part whether such claims be made by a servant or agent of the hirers or the owners or by any other party

5. The hirers shall have the sole and complete management of the said motor yacht in all matters (save those that might affect the title of the owners) and in particular

(a) To make or cancel any arrangement for the carriage of passengers

(b) To engage such persons as he may think fit from time to time as master officers and crew of the ship and to dismiss in accordance with paragraph 1 any or all of them but reserving entirely to the owners all rights

(c) To insure (in accordance with paragraph 6 hereof)

(d) To employ any ship or insurance brokers on the usual terms

(e) To make adjust apportion or settle at their discretion any salvage damage average or other claims in favour of or against the motor yacht or to refer the same to arbitration

(f) To obtain possession of the ship and her certificate of registration from any master who has been dismissed or from any other person withholding the same

(g) To receive payment and obtain delivery of all moneys and and securities receivable on account of the ship

(h) To take and defend such proceedings as may be necessary in respect of the ship

6. The agreed insurance value of the said motor yacht is $430,000 (Four Hundred and Thirty Thousand American Dollars) and the owners shall affect insurance to that value on the motor yacht her apparel fittings freight earnings and disbursements against the usual risks either at Lloyds or with Insurance Agencies and to enter the ship in protection or indemnity or other kindred associations in addition to the above the owners will effect additional insurance as detailed in the current insurance policy with the Marine Office of America and in respect of which the hirers (having been supplied with a copy of the said insurance policy) the hirers shall be deemed to have full knowledge. The premiums relating to the above insurances will be payable by the hirers and shall become due 28 days after due application by the owners. The hirer having been supplied with a copy of the Insurance Policy will take no steps or do nothing that might or might tend to increase the premiums or render the policy void voidable or unenforcable and will indemnify the owners against any loss occasioned thereby.

7. In the event of the settlement of any salvage damage or average or other claims relating to the motor yacht any capital sums receivable thereby will at the option of the hirer be expended in rebuilding the said motor yacht or alternatively the monies so receivable shall be apportioned between the parties hereto in the proportion the monies so paid at that date in accordance with the Schedule bear to the total purchase price referred to in paragraph 10 hereof

8. The owners with reasonable notice may request the hirers to restore possession of the said motor yacht to them for a reasonable period of time (not withstanding the provisions of this Charter) PROVIDED ALWAYS that during such period the liabilities and responsibilities of the hirer as detailed in paragraphs 1, 2 3, and 4 hereof will lapse and will be resumed upon possession of the motor yacht being restored to the hirers or upon written notification by the owners to the hirers that possession of the said motor yacht is thereby restored to the hirers whichever occurs first in time

9. The hirers shall pay for the use and hire of the said motor yacht the sum of $348,000 (Three Hundred and Forty Eight Thousand American Dollars) which payments shall be made in manner as set out in the Schedule hereto.

10. The owners agree that the hirers shall have the option at any time during this Charter Party of purchasing the said motor yacht for the sum of $384,000 (three hundred and eighty four thousand American dollars) against which any amount paid for the hire of the motor yacht (being the sum or part of the sum set out in paragraph 9 and Schedule hereto) shall be set off and deducted, and upon payment of the total purchase price the owners will execute an Assignment in the form annexed hereto as Exhibit B

11. In the event of any payment falling due and being unpaid in part or in whole, within 60 (sixty) days after written notice from owners to hirers, hirers shall be deemed to have repudiated the Charter Party and the owners shall be entitled to recover immediate possession of the said motor yacht

12. This Charter Party shall be construed according to English law.

IN WITNESS WHEREOF the Parties hereto have hereunder caused their Corporate Seals to be affixed the day and year first before written.

Schedule

(a) The sum of $80,000 (Eighty Thousand American Dollars) upon the signing hereof.

(b) The sum of $108,000 (One Hundred and Eight Thousand American Dollars) by way of 36 (Thirty six) payments of $3,000 (Three Thousand American Dollars) the first payment to be made on the signing hereof and the remainder by way of single payments on the same day of each succeeding month.

(c) The sum of $160,000 (One Hundred and Sixty Thousand American Dollars) by way of 8 (eight) payments of $20,000 (Twenty Thousand American Dollars) the first payment to be made twelve months from the date hereof and the remainder by way of single payments after the expiry of each successive period of three months.

NEW PROVIDENCE SECURITIES

President: _____ (C. W. McAlpin)

Vice President: _____ (H. H. Chow)

Witness: _____

Witness: _____

FEDERAL INVESTMENTS LIMITED

Vice President: _____ (A. Alvarez)

Asst. Secretary: _____ (Hector Ceinos)

Witness: _____

Witness: _____

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THIS ASSIGNMENT is made the tenth day of April One thousand nine hundred and seventy BETWEEN NEW PROVIDENCE SECURITIES of P.O. Box 1065 Sassoon Buildings Nassau Bahamas (hereinafter called "the Vendors") of the one part and FEDERAL INVESTMENTS LIMITED of P.O. Box 10,299 San Jose Costa Rica (hereinafter called "the Purchasers") of the other part

WHEREAS:

1. The Vendors are the owners of the 1969 eighty feet (wood) Huckins Motor Yacht "Give Up" (Twin Diesels) registed in Nassau Bahamas and now lying at the port of Nassau Bahamas

2. The Vendors have agreed to sell the said motor yacht together with the boats and appurtenances thereto belonging to the Purchasers for the sum of $384,000 (Three hundred and eighty four thousand American dollars)

NOW THIS DEED WITNESSETH as follows:

1. IN Consideration of the sum of $384,000 (Three hundred and eighty four thousand American dollars) now paid by the Purchasers to the Vendors (the receipt whereof the Vendors hereby acknowledge) the Vendors hereby assign unto the Purchasers the said motor yacht together with all her boats and appurtenances to hold the same unto the Purchasers absolutely

2. THE Vendors covenant with the Purchasers that they have power to transfer in manner aforesaid the premises hereinbefore expressed to be transferred and that the same are free from incumbrances

3. THE Vendors shall forthwith give authority to the persons in whose charge the motor yacht and her boats and appurtenances now are to deliver the said motor yacht to the Purchasers or their representatives and from the time of such delivery the same shall be at the risk in all respects of the Purchasers

IN WITNESS whereof the Parties hereto have hereunder caused their Corporate Seals to be affixed

NEW PROVIDENCE SECURITIES

President:

Vice President:

Witness:

Witness:

FEDERAL INVESTMENTS LIMITED

Vice President:

Asst. Secretary:

Witness:

Witness:

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NEW PROVIDENCE SECURITIES, LTD.
NASSAU (BAHAMAS)
ZURICH BRANCH
MÜHLEBACHSTRASSE 86 8008 ZURICH SWITZERLAND

TELEPHONE: (051) 47 66 72
CABLE: FIRSTBIT ZURICH
TELEX NUMBER: 54 637
P.O.BOX 268 8024 ZURICH

NEW NAME ZURICH ORGANIZATION:
CAPITAL GROWTH FUND DISTRIBUTORS AG
MÜHLEBACHSTRASSE 86 8008 ZURICH

Mr. Hector Ceinos,
Attorney & Counsellor at Law,
Ninth Floor,
Banco de Ponce Building,
Santurce,
Puerto Rico 00910.

13th July, 1970

Dear Hector,

I refer to my letter to you of the 28th April, 1970, in which I gave you our tabulation of the cash flow between EHG Enterprises and N.P.S. Ltd. The amounts and figures listed on Page 2. of my letter have now been adjusted and should therefore read as follows:

	Capital still outstanding at 10th April, 1970	$100,000.00
	Add interest to that date	14,958.90
		$114,958.90
LESS	Insurance paid for Boat for period 28 March 1970 for the year $9,429.00	
	Premium returned 7,744.31	
LESS	Insurance Paid	1,684.69
		$113,274.21
LESS	$83,000 due on 10th April, 1970	83,000.00
		$ 30,274.21

Payments due:	10 May	$3,000.00	
	10 June	3,000.00	
	10 July	3,000.00	
	10 Aug.	3,000.00	
	10 Sep.	3,000.00	
	10 Oct.	3,000.00	
	10 Nov.	3,000.00	
	10 Dec.	3,000.00	
	10 Jan.	3,000.00	
	10 Feb.	3,000.00	$ 30,000.00
			274.21
	First payment due on March 10th		2,725.79
			$ 3,000.00

/Continued ...

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NEW PROVIDENCE SECURITIES, LTD.
NASSAU (BAHAMAS) ZURICH BRANCH
MÖHLEBACHSTRASSE 56 8008 ZURICH SWITZERLAND

TELEPHONE: (051) 47 66 72
CABLE: FIRSTBIT ZURICH
TELEX NUMBER: 54 637
P.O.BOX 368 8024 ZURICH

NEW NAME ZURICH ORGANIZATION:
CAPITAL GROWTH FUND DISTRIBUTORS AG
MÖHLEBACHSTRASSE 56 8008 ZURICH

Mr. Hector Ceinos

13th July, 1970

I should be most grateful if you would verify with Ariel and Henry Gutierrez these new figures pertaining to the purchase of the boat and acknowledge the correctness of the calculations so that we can close the file on the yacht.

With kindest regards,

Yours very truly,

HARRY H. CROW
Executive Vice President

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MUTUAL RELEASE

AGREEMENT made this 19 th , day of May, 1971, between NEW PROVIDENCE SECURITIES of P.O. Box 1065 Sassoon Buildings Nassau Bahamas (hereinafter called "the Owners"), of the one part and FEDERAL INVESTMENTS LIMITED, a corporation organized under the laws of the Bahamas with its principal office in San José, Costa Rica (hereinafter called "the Hirers"), of the other part;

WITNESSETH:

WHEREAS: The Owners and Hirers entered into a certain Contract, dated April 10, 1970 (hereinafter called "the Contract"), under which the Owners let to the Hirers the 1969 eighty feet (Wood) Huckins Motor Yacht 'Give Up' (Twin diesels) (hereinafter called "Give Up");

WHEREAS: The parties hereto desire to terminate the Contract in consideration of the Owners receiving an amount of TWO HUNDRED TWENTY THOUSAND DOLLARS ($220,000.00) ---------- for the sale of the Give Up, and the Hirers receiving an amount of SEVENTY THOUSAND DOLLARS ($70,000.00) for the termination of the Contract.

NOW, THEREFORE, the parties hereto agree that the Contract heretofore executed between the Owners and the Hirers hereby is terminated and cancelled and shall be of no further force or effect, and the Hirers release and relinquish and quitclaim to the Owners any and all right, title, interest or demand possessed or claimed by the Hirers in or to the Give Up, and each and all of the parties to this agreement and the agents, employees and representatives of each and all of them are released from any and all liability, past, present or future, of whatsoever kind or character, by reason of or growing out of or arising or existing in connection with the execution of said Contract or any of the terms or provisions thereof, or by reason of the breach or alleged breach or conduct or activity resulting in the breach or alleged breach, of any of the terms or provisions of said Contract; provided, however, the Hirers are and shall be entitled to receive

the amount of SEVENTY THOUSAND DOLLARS ($70,000.00) upon the execution of this release.

IN WITNESS WHEREOF the parties hereto have executed this Agreement on the date hereinabove mentioned.

NEW PROVIDENCE SECURITIES LTD.

By: C.W. McAlpin

FEDERAL INVESTMENTS LIMITED

By: A. Gutiérrez

Ariel E. Gutiérrez
Vice President

Affidavit No. 4542

Sworn and subscribed to before me by Mr. Ariel E. Gutiérrez, who is of legal age, married, engineer, resident of San Juan, Puerto Rico, and as Vice President of Federal Investments Limited, to me personally known, in San Juan, Puerto Rico, this 19th day of May, 1971.

Notary Public

Sworn and subscribed to before me by Mr. C.W. McAlpin this 21st day of May, 1971 in New York, New York.

Notary Public

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Contrato celebrado entre el PARTIDO LIBERACION NACIONAL de Costa Rica, domiciliado en San José, representado por el Presidente de su Comité Ejecutivo, don JOSE FIGUERES FERRER, personería que consta del Tomo_____, Folio_____, asiento_____ del REGISTRO ELECTORAL y FIBA LIMITED, representada por el señor ARIEL ELOY GUTIERREZ, personería que consta del poder especial adjunto, que se agrega como anexo (A) a este contrato. También interviene el señor Figueres en su condición personal

CONSIDERANDO:

1.- Que de acuerdo con el artículo 96 de la Constitución Política de Costa Rica, el Estado contribuye al pago de los gastos en que incurran los partidos políticos para elegir los miembros de los Poderes Ejecutivo y Legislativo, en proporción al número de votos obtenidos por cada Partido;

2.- Que ese pago lo efectúa el Estado por medio de una emisión de Bonos de la Deuda Política que se realiza después de las elecciones, una vez liquidados los gastos de la campaña de cada partido;

3.- Que para financiar su campaña, Liberación Nacional, al igual que los otros Partidos Mayoritarios, ha efectuado una emisión privada de bonos, con el compromiso de sustituirlos por los títulos del Estado aludidos en el considerando anterior, una vez que estos sean emitidos;

4.- Que la corporación Fiba Limited está interesada en adquirir una cantidad de Bonos del Estado de la deuda Política 1970;

5.- Que Liberación Nacional está interesada en que Fiba Limited adquiera oportunamente esos bonos, para lo cual está de acuerdo en cederle desde ahora, una cantidad equivalente de sus bonos privados;

6.- Que don José Figueres está dispuesto a otorgar su garantía personal con relación a los compromisos que adquiera su Partido en este convenio.

POR TANTO, de acuerdo con los considerandos expuestos, que forman parte integral de este convenio, y de las estipulaciones que a continuación se expresan, las partes han convenido en lo siguiente:

I

Que en este acto LIBERACION NACIONAL entrega al señor Gutiérrez, en su carácter dicho, bonos privados de su campaña política con un valor facial de TRES MILLONES CUATROCIENTOS SETENTA Y CINCO MIL COLONES, de conformidad con el detalle que, como anexo B se firma por las partes y se considera parte integral de este contrato.

II

Que contra recibo de esos bonos el señor Gutiérrez entrega en este acto al señor Figueres la suma de QUINIENTOS MIL DOLARES, moneda de los Estados Unidos de América, equivalente al tipo libre actual de seis colones noventa y cinco céntimos por dólar a TRES MILLONES CUATROCIENTOS SETENTA Y CINCO MIL COLONES.

III

LIBERACION NACIONAL garantiza que la representada del señor Gutiérrez, podrá canjear los bonos referidos en la cláusula anterior por Bonos del Estado de la Deuda Política 1970, dentro de los treinta días hábiles siguientes a la fecha en que esos bonos sean emitidos y puestos a disposición del Partido.

IV

En caso de que por cualquier motivo el Estado no emitiera los bonos de la Deuda Política 1970, o que el canje previsto en la cláusula anterior no pudiera llevarse a cabo por cualquier causa dentro del término de treinta días, LIBERACION NACIONAL le devolverá al señor Gutiérrez los quinientos mil dólares que de él recibe en este acto.

V

En la intención de las partes la de que la representada del señor Gutiérrez recupere totalmente los quinientos mil dólares invertidos en

bonos del Partido Liberación Nacional, razón por la cual, si al redimir totalmente los Bonos del Estado de la Deuda Política 1970, dicha sociedad recibiera una suma inferior a esa cantidad, LIBERACION NACIONAL le reembolsará la diferencia entre ambas partidas.

VI

El señor Figueres en su carácter personal se convierte en garante solidario de todas las obligaciones que en este instrumento adquiere LIBERACION NACIONAL, debiendo pagar de su propio peculio cualquier suma por la que responda el Partido que él garantiza, en el caso de que éste no lo haga oportunamente.

VII

Se acompaña un facsímil del tipo de bono a que se refiere el inciso tres de la página una y el cual se convertirá en bonos del Estado, según se describe en el mismo inciso.

-0-0-

EN FE DE LO ANTERIOR, firmamos en la ciudad de San José, a los Veintitrés días del mes de Setiembre de mil novecientos sesenta y nueve.

Notas: Plana primera línea cuatro, en vez de "tomo", "folio", "asiento" léase después de "del" "folio doce al veintitrés del expediente catorce mil setecientos treinta y seis del año mil novecientos sesenta y ocho "

JOSE FIGUERES FERRER
Presidente Comité Ejecutivo
Partido Liberación Nacional

JOSE FIGUERES FERRER
Cédula No. 2-047-48-96

ARIEL ELOY GUTIERREZ
Vicepresidente
Fiba Limited

Las anteriores firmas son auténticas

JUAN EDGAR FIGARES TELLO
SAN JOSE
COSTA RICA
ABOGADO

- I -

That simultaneously with the execution of this agreement LIBERACION NACIONAL delivers to Mr. Gutiérrez in his aforesaid capacity, private bonds of its political campaign with a face value of THREE MILLION FOUR HUNDRED SEVENTY FIVE THOUSAND COLONES (3,475,000 Colones), according to the breakdown annexed hereto in Exhibit B, which is made a part of this agreement.

- II -

That simultaneously with the delivery of said bonds Mr. Gutiérrez hereby delivers to Mr. Figueres the amount of FIVE HUNDRED THOUSAND DOLLARS ($500,000.00) (U.S. Dollars), which are equivalent at the present exchange rate of 6.95 colones per dollar to THREE MILLION FOUR HUNDRED SEVENTY FIVE THOUSAND COLONES (3,475,000-Colones).

- III -

LIBERACION NACIONAL hereby guarantees that FIBA LIMITED, can exchange the private bonds referred to in the preceeding clause by State Bonds of the Political Debt of 1970 within thirty (30) days after the date in which said State Bonds are issued and made available to the Party.

- IV -

That in the event that for any reason whatsoever the State does not issue the State Bonds of the Public Debt of 1970, or that the exchange described in the preceeding clause can not take place for any reason whatsoever, within the thirty (30) days period hereinbefore mentioned, LIBERACION NACIONAL will return to Mr. Gutiérrez the FIVE HUNDRED THOUSAND DOLLARS ($500,000.00) received in this act.

- V -

It is the intention of the parties hereto that FIBA LIMITED totally recoups the FIVE HUNDRED THOUSAND DOLLARS ($500,000.00) invested in Private Bonds of Partido Liberación Nacional, and therefore, if at the time that the State Bonds of the Public Debt of 1970 are totally redeemed, said FIBA LIMITED receives an amount inferior to the FIVE HUNDRED THOUSAND DOLLARS ($500,000.00) it has

invested, Liberación Nacional will reimburse any such difference.

- VI -

That Mr. Figueres in his personal capacity, jointly and severally guarantees all the obligations of Liberación Nacional under this agreement and agrees to pay from his personal assets any amount for which his Party is responsible, in the event the Party does not make such payments as agreed herein.

- VII -

An specimen of the Private Bond referred to in clause 3 of page 1 of this agreement, which will be converted into State Bonds, as described in said clause, is attached herewith.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in the City of San José, Costa Rica, on the 23rd day of the month of September, 1969.

FIBA LIMITED

By:

(Signed): Ariel Eloy Gutiérrez
Ariel Eloy Gutiérrez
Vice President

(Signed): José Figueres Ferrer
JOSE FIGUERES FERRER
President, Executive Committee
PARTIDO LIBERACION NACIONAL

(Signed): José Figueres Ferrer
JOSE FIGUERES FERRER
Cédula No. 2-047-48-98

A Notary seal with the legend "Juan Edgar Picado Trejos of San José, Costa Rica, Attorney" is affixed below said signatures after the phrase "The foregoing signatures are authentic".

I hereby certify that the above is to the best of my knowledge a correct translation from the Spanish language of the agreement herein contained.

In San Juan, Puerto Rico, this 24th day of February, 1970.

Héctor Ceinos

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EXH "X"

PARTIDO LIBERACION NACIONAL

TELEFONO 21-20-22 APARTADO 2244
SAN JOSE, COSTA RICA

File F-139

June 20, 1969

ONLY COPY AVAILABLE

Mr. John Sloed
Bear Stearns & Company
1 Wall Street
New York, New York
USA

Dear Sir:

A few weeks ago a common friend spoke to you on long distance about the purchase of some special bonds of the Government of Costa Rica.

On June 18, 1969 I phoned you to New York and announced the visit of Dr. Alberto Inocente Alvarez, a prominent Cuban statesman who has been a Secretary of State and a Minister of Treasury. He is now a Costa Rican citizen and a prestigious member of our business community.

That I gave more details to your Cuban secretary, Miss Lillian Carreño about Dr. Alvarez's trip. She kindly agreed to pass on to you this information.

You can deal openly with Dr. Alvarez. He enjoys the full confidence of our common friend, as well as mine.

This is our deal: By Constitutional mandate the Government of Costa Rica (which is fully democratic and stable) contributes to the campaign expenses of qualified political parties.

The total contribution goes up to 2% of the average budget of the Republic for one year, of the three preceding years.

For the coming elections of February 1st, 1970, the total amount to be contributed to all parties together is estimated at 15 million colones, or approximately U.S. $2,150,000.

By law the money is distributed among the registered parties, in proportion to the number of votes they obtain, win or lose.

For the last 25 years our party has obtained 50% to 65%. When we have lost to coalitions of all other groups (from extreme left to extreme right), it has been by a thin margin. When I myself ran (there is no continuity or re-election) in 1953, the party reached the 65% mark.

The present campaign looks promising for 1970. Not only are we winning the Presidency, but we expect to receive well over $1,000,000 for campaign expenses. Say, 400,000 votes at $2.50 a vote.

ONLY COPY AVAILABLE

PARTIDO LIBERACION NACIONAL

TELEFONO 21-20-22 APARTADO 2244
SAN JOSE, COSTA RICA

Under the law, this money is paid in 8%, 4-year bonds. These bonds start bearing interest on February 1, 1970. They are redeemed in regular quarterly amortizations, during the next 4 years.

Campaign bonds have never been defaulted.

The need for selling bonds in advance arises from the obvious fact that Party expenses are incurred during the present Presidential term, especially at the end, for the new campaign, while the Government contribution is received during the following 4-year Constitutional period.

Our Party, which is the best established democratic group in this country, issues its own Certificates in advance, during the term preceding the period of payments of Government bonds. Our Certificates are numbered and registered with the cashier of the National Treasury, which is the Central Bank of Costa Rica.

All legal precautions are taken to insure that while there are registered Certificates outstanding, the Central Bank will not accept any order of payment in campaign bonds but these Certificates.

The Certificates are in fact an irrevocable order of payment signed by the legal officers of the Party. They are made to the bearer, and such bearer need not have any further authorization or any dealings of any kind with the Party to collect his due in special 4-year Government bonds.

Should such bonds be printed or delivered later than February 1, 1970, their interest and amortization will be retroactive to this date.

My Party is thinking of selling Certificates for 5 million colones, or a little over U.S. $700,000. Any transaction with a foreign buyer would be in U.S. dollars.

At this time we would accept a 15% discount deductable from the beginning, and we would cover interest in monthly payments at current rates until the buyer starts receiving interest from Government bonds February 1, 1970.

Although this transaction is perfectly secure, we understand that it is also a gesture of cooperation from our common friend, in which you or your firm may wish to participate.

May I add that I myself have solvency for the amount involved and that I hereby constitute myself into a personal guarantor, as an indication of good faith.

Please feel free to discuss anything you wish with Dr. Alvarez. I hope to meet you someday.

Sincerely,

JF/kl

José Figueres
President

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PARTIDO LIBERACION NACIONAL

TELEFONO 21-20-22 APARTADO 2244
SAN JOSE, COSTA RICA

RECIBO Nº 31.

19 de setiembre de 1969.

En esta fecha retiro de la TESORERIA GENERAL DEL PARTIDO, como gestor para la venta de los mismos, la suma de TRES MILLONES CUATROCIENTOS CINCUENTA Y CINCO MIL COLONES (₡3.455.000.oo) en BONOS CAMPAÑA 1970, de acuerdo con el siguiente detalle de títulos:

383 bonos con valor cada uno de ₡5.000.oo, así:

Nos.	083 al 100.....	18 bonos	
"	126 al 150.....	25 bonos	
"	151 al 400.....250	bonos	"
"	411 al 450.....	40 bonos	
"	451 al 500.....	50 bonos	₡ 1.915.000.oo

154 bonos con valor de ₡10.000.oo cada uno; así:

Nos.	027 al 050.....	24 bonos	
"	071 al 100.....	30 bonos	
"	101 al 200.....100	bonos	1.540.000.oo

VALOR TOTAL BONOS RECIBIDOS.....₡ 3.455.000.oo

Ordon: nota Srio General don Luis Alberto Mongo A. de fecha 18 setiembre 1969.

JOSE FIGUERES FERRER

Al total anterior se agregan los siguientes Bonos de ₡ 5.000.oo cada uno, que estaban en poder de don José Figueres : Nos 063,064,065 y 066 con valor total de..... 20.000

PARA UN GRAN TOAL DE..... 3.475.00

Las anteriores firmas son auténticas

ONLY COPY AVAILABLE

¢5.000 CAMPAÑA 1970 Nº 062

Partido Liberación Nacional

EL COMITE EJECUTIVO NACIONAL DEL PARTIDO LIBERACION NACIONAL AUTORIZA

AL PORTADOR

DE ACUERDO CON EL ARTICULO 96 DE LA CONSTITUCION POLITICA, A RETIRAR DE LA TESORERIA NACIONAL DEL GOBIERNO DE COSTA RICA, LA SUMA DE

CINCO MIL COLONES

DE LA CUOTA QUE LE CORRESPONDERA COMO AYUDA DE EL ESTADO PARA LOS GASTOS DE LA CAMPAÑA POLITICA 1970, EN LA FORMA Y CONDICIONES QUE DETERMINE LA LEGISLACION CORRESPONDIENTE.

ESTE VALE ESTA CUBIERTO, HASTA SU VALOR NOMINAL, POR LA CESION Y TRASPASO QUE A FAVOR DE LA EMISION TOTAL CONSTA EN ESCRITURA Nº 2575 DE HOY, OTORGADA ANTE EL NOTARIO LUIS FELIPE MAYORGA Y QUE SERA REGISTRADA ANTE LOS ORGANISMOS OFICIALES LEGALMENTE COMPETENTES. SAN JOSE, 19 DE JULIO 1969.

PRESIDENTE

SECRETARIO GENERAL

TESORERO

COORDINADOR NACIONAL DE FINANZAS

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¢5.000 CAMPAÑA 1970 Nº 5

Partido Liberación Nacional

EL COMITE EJECUTIVO NACIONAL DEL PARTIDO LIBERACION NACIONAL AUTORIZA

AL PORTADOR

DE ACUERDO CON EL ARTICULO 96 DE LA CONSTITUCION POLITICA, A RETIRAR DE LA TESORERIA NACIONAL DEL GOBIERNO DE COSTA RICA, LA SUMA DE

CINCO MIL COLONES

DE LA CUOTA QUE LE CORRESPONDERA COMO AYUDA DE EL ESTADO PARA LOS GASTOS DE LA CAMPAÑA POLITICA 1970, EN LA FORMA Y CONDICIONES QUE DETERMINE LA LEGISLACION CORRESPONDIENTE.

ESTE VALE ESTA CUBIERTO, HASTA SU VALOR NOMINAL, POR LA CESION Y TRASPASO QUE A FAVOR DE LA EMISION TOTAL CONSTA EN ESCRITURA Nº 2575 DE HOY, OTORGADA ANTE EL NOTARIO LUIS FELIPE MAYORGA Y QUE SERA REGISTRADA ANTE LOS ORGANISMOS OFICIALES LEGALMENTE COMPETENTES. SAN JOSE, 19 DE JULIO 1968.

PRESIDENTE

SECRETARIO GENERAL

TESORERO

COORDINADOR NACIONAL DE FINANZAS

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EXH "4"

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RECEIPT NO. 31

September 19, 1969

On this date, the 1970 Campaign Bonds described hereinafter are withdrawn from the General Treasury of the Party by the undersigned, as one of their Sales Sponsors:

383 bonds with a value each of $5,000.00 as follows:

Nos.	083 to 100.....	18 bonds	
	126 to 150.....	25 bonds	
	151 to 400.....	250 bonds	
	411 to 450.....	40 bonds	
	451 to 500.....	50 bonds	$1,915,000.00

154 bonds with a value of $10,000.00 as follows:

Nos.	027 to 050.....	24 bonds	
	071 to 100.....	30 bonds	
	101 to 200.....	100 bonds	1,540,000.00

Total Value of Bonds Received. $3,455,000.00

Order: from General Secretary, don Luis Alberto Monge A. dated, September 18, 1969.

(Signed): José Figueres Ferrer
JOSE FIGUERES FERRER

Add to the previous total the following bonds in the amount of $5,000.00 each which were in the possession of Mr. José Figueres: Nos. 063, 064, 065 and 066 with an aggregate total of 20,000.00

For a Grand Total of..... $3,475,000.00

The previous signatures are authentics.

Under the Seal of Juan Edgar Picado Trejos- Attorney of San José, Costa Rica.

$5.000 CAMPAIGN 1970 NO. 062

NATIONAL LIBERATION PARTY

The Executive Committee of the National Liberation Party authorizes

THE BEARER

To withdraw from the National Treasury of the Government of Costa Rica as per Article 96 of the Political Constitution

FIVE THOUSAND COLONES

E-298

From its corresponding Quota as an aid from the State to the expenses from the 1970 Political Campaign under the terms and conditions determined by the Pertinent Legislation.

This Security is covered, up to its nominal Value by the assignment and transfer that in favor of the the Total Issue appears in Deed No. 2575, Executed on this date before notary Luis Felipe Mayorga which will be recorded before the Pertinent Official Government Instrumentalities. San José, July 1, 1968.

President

(Signed)
Secretary General

(Signed)
Treasurer

(Signed)
Financial General Coordinator

otherwise transferred to any person except a resident of the Commonwealth of Puerto Rico except upon the
given based upon written opinion of counsel for the issuer that such sale or transfer will not violate said act.

EXH 2

INCORPORATED UNDER THE LAWS OF

THE COMMONWEALTH OF PUERTO RICO

No. 12 Shares 10,000

E. H. G. ENTERPRISES, INC.

Authorized Capital Stock $1,000,000.00

Par Value $1.00 Per Share

THIS CERTIFIES THAT ALBERTO INOCENTE ALVAREZ ---------- is the owner of

TEN THOUSAND (10,000) Shares of ONE DOLLAR each of the Capital Stock of

E. H. G. ENTERPRISES, INC.

transferable only on the books of the Corporation by the holder hereof in person or by Attorney, upon surrender of this Certificate properly endorsed.

In Witness Whereof, the said Corporation has caused this Certificate to be signed by its duly authorized officers and to be sealed with the Seal of the Corporation this 3th day of October A.D. 19 67

Ariel E. Gutiérrez
President

Héctor Ceinos
Secretary

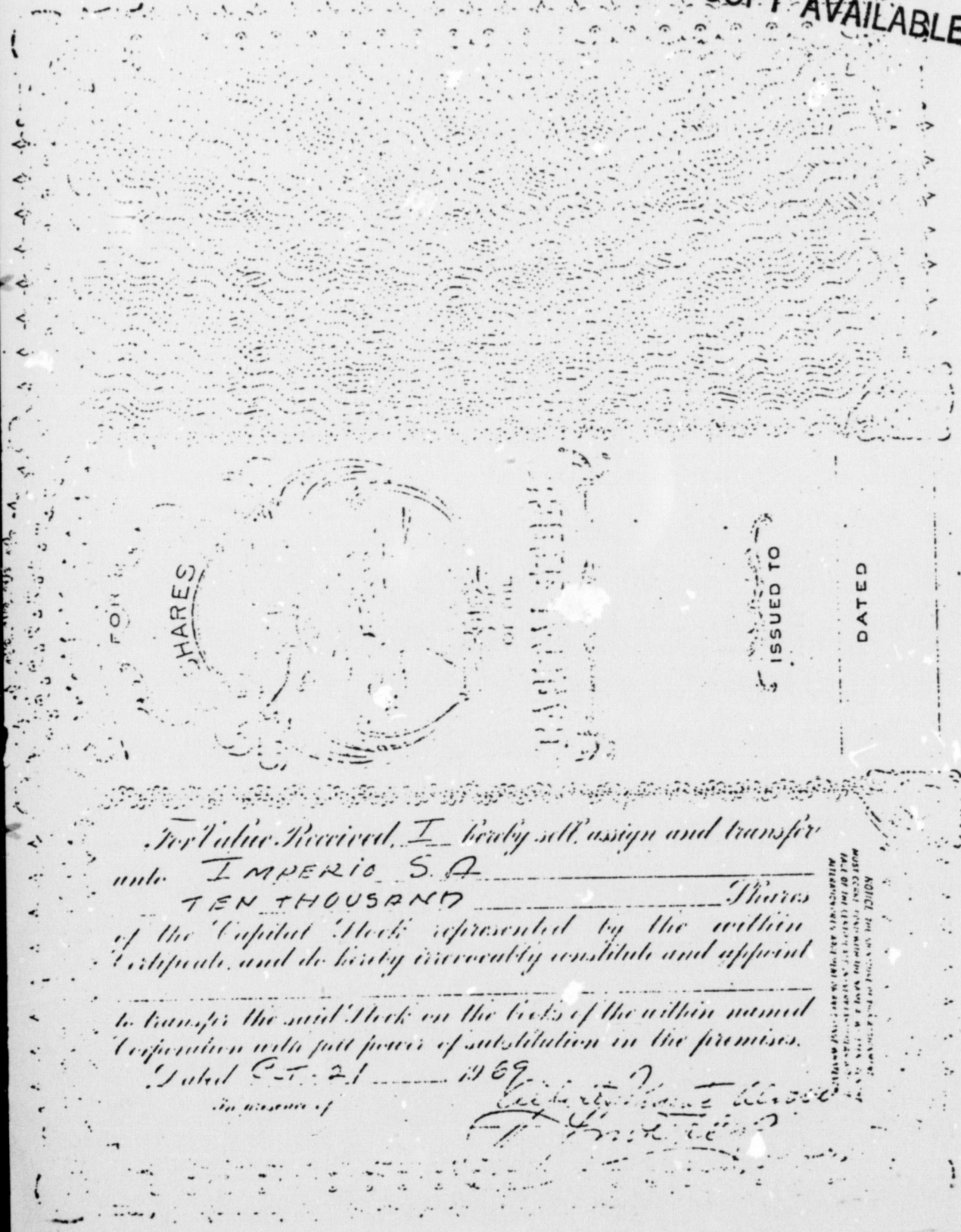
SHARES $1.00 PAR

E-299

ONLY COPY AVAILABLE

ONLY COPY AVAILABLE

E-300



For Value Received, I hereby sell, assign and transfer unto IMPERIO S.A.

TEN THOUSAND Shares

of the Capital Stock represented by the within Certificate, and do hereby irrevocably constitute and appoint

to transfer the said Stock on the books of the within named Corporation with full power of substitution in the premises.

Dated OCT. 21 1969

In presence of

E-301

ONLY COPY AVAILABLE

STOCK PAYMENT RECORD

SHEET NO. FIFTY EIGHT

NAME ENRIQUE H. GUTIERREZ APPLICANT

ADDRESS

1963	NO. SHARES PURCHASED	AMOUNT PER SHARE	CERTIFICATE NO.	TOTAL DEBIT	DATE OF CREDIT	PAYMENTS WEEKLY-SEMI-MONTHLY-MONTHLY	AMOUNTS OF CREDITS
9	18 488,450	10	-- 58				

CANCELADO POR EL NO. 62 POR 480,950 ACCIONES Y 7,500 SE TOMAN PARA EL NO. 61.

TOTAL $

NAME SALESMAN COMMISION % PAID 19

PAID $ IN FULL AND CERTIFICATE NO. ISSUED 19

SIGNATURE AUDITOR

STOCK PAYMENT RECORD

SHEET NO. FIFTY NINE

NAME ARIEL E. GUTIERREZ APPLICANT

ADDRESS

1963	NO. SHARES PURCHASED	AMOUNT PER SHARE	CERTIFICATE NO.	TOTAL DEBIT	DATE OF CREDIT	PAYMENTS WEEKLY-SEMI-MONTHLY-MONTHLY	AMOUNTS OF CREDITS
9	18 162,816	10	-- 59				

CANCELADO POR EL NO. 63 POR 160,316 ACCIONES Y 2,500 SE TOMAN PARA EL NO. 61.

TOTAL $

NAME SALESMAN COMMISION % PAID

PAID $ IN FULL AND CERTIFICATE NO. ISSUED

SIGNATURE

E-302

STOCK PAYMENT RECORD

SHEET NO. SIXTY

NAME PRAG INVESTMENT APPLICANT

ADDRESS

NO. SHARES PURCHASED	PRICE PER SHARE	TOTAL DEBIT	DATE OF CREDIT	PAYMENTS WEEKLY-SEMI-MONTHLY-MONTHLY	AMOUNTS OF CREDITS
$ 100 --	10 --	60			1000 --
				TOTAL $	1000 --

SALESMAN COMMISSION % PAID 19

IN FULL AND CERTIFICATE NO. ISSUED 19

SIGNATURE AUDITOR

STOCK PAYMENT RECORD

SHEET NO. SIXTY ONE

NAME ALBERTO INOCENTE ALVAREZ APPLICANT

ADDRESS

NO. SHARES PURCHASED	PRICE PER SHARE	TOTAL DEBIT	DATE OF CREDIT	PAYMENTS WEEKLY-SEMI-MONTHLY-MONTHLY	AMOUNTS OF CREDITS
$ 10 000	10, --	61			100 0 0 0 --
				CANCELADO POR EL NO. 64 POR EL MISMO NUMERO DE ACCIONES.	
				TOTAL $	100 0 0 0 --

SALESMAN COMMISSION % PAID 19

IN FULL AND CERTIFICATE NO. ISSUED 19

SIGNATURE AUDITOR

EXH "B" No 21851

23 DE FEBRERO DE 1972 101-204
DATE 215

PAY TO THE ORDER OF GLOBE FINANCIAL AND INVESTMENT CORPORATION--------- -----$ 20,000.00

THE SUM OF THE SUM 20000---00 DOLARES

E. H. G. ENTERPRISES, INC.

MAR 1 5 1972

AUTHORIZED SIGNATURE

FIRST NATIONAL CITY BANK
SANTURCE, PUERTO RICO

AUTHORIZED SIGNATURE

:0215=0204: 0236306" "000020000000"

E-303

ONLY COPY AVAILABLE

E-304

PARA DEPOSITAR A NOMBRE
GLOBE FINANCIAL INVESTMENT
CORPORATION, EN EL FIRST
NATIONAL CITY BANK.

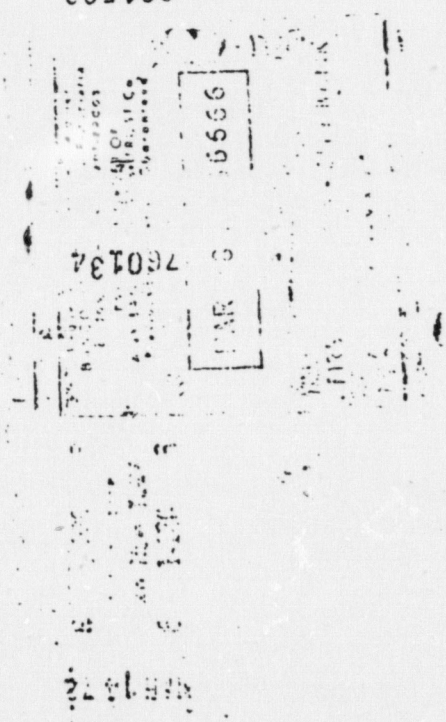
#063-940

ER ER

PAY ANY BANK
FIRST NATIONAL CITY BANK
NEW YORK, NEW YORK

PR1372 3006 8024

031590



ONLY COPY AVAILABLE

E-305.

EXH "CC"

EHG ENTERPRISES INC

No 22339

10 May 1972
DATE

PAY TO THE ORDER OF Globe Financial & Investment Corp. S.A. $ 20,000.00

THE SUM OF Twenty Thousand 00/100 DOLARES

FIRST NATIONAL CITY BANK
SANTURCE, PUERTO RICO

BANCO NACIONAL DE COSTA RICA
MAY 24 1972
V/C 27112
DEPTO. COMERCIAL

E.H.G. ENTERPRISES, INC.

AUTHORIZED SIGNATURE

AUTHORIZED SIGNATURE

:021510201: 0236306"

CNLY COPY AVAILABLE

E-306

Depositese en Ctra Cte #-62506-1 de Ganadera San Cristobal S.A. Globe Financial Investment Corp. S.A.

PAGUESE A LA ORDEN DE
PHILADELPIA NATIONAL BANK
POR VALOR ACREDITADO EN CUENTA
BANCO NACIONAL DE COSTA RICA
DEPARTAMENTO COMERCIAL
SAN JOSE COSTA RICA

760

CAJERO Nº21
MAY 1972

ONLY COPY AVAILABLE

EXH "DD"

E-307

EHG ENTERPRISES INC.

CHECK FOR DEPOSIT

No 22840

10 June 1972
DATE

215

PAY TO THE ORDER OF Globe Financial And Investment Corp. $ 10,000.00

THE SUM OF Ten Thousands .00 DOLARES

JUN 26 1972

E.H.G. ENTERPRISES INC.

AUTHORIZED SIGNATURE

AUTHORIZED SIGNATURE

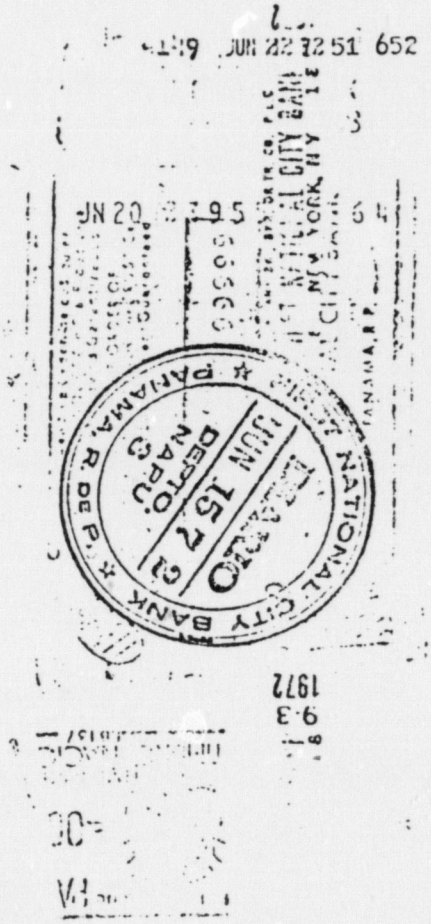
FIRST NATIONAL CITY BANK
SANTURCE, PUERTO RICO

⑆0215⑆0204⑆ 0236306⑈ ⑈000010000000⑆

ONLY COPY AVAILABLE

E-308

For deposit only
Globe Financial and
Investment Corp.
Account # 063-940



ONLY COPY AVAILABLE

EXHIBIT "E" No. 28320

RHG ENTERPRISES, INC.

23 DE AGOSTO DE 1973
DATE

215

PAY TO THE ORDER OF CAPITAL GROWTH CO. S.A. $10,000.00

THE SUM OF THE SUM 10000 00 DOLARES

PAID
SEP 0 1973
ENCD

E. H. G. ENTERPRISES, INC.

AUTHORIZED SIGNATURE

AUTHORIZED SIGNATURE

FIRST NATIONAL CITY BANK
SANTURCE, PUERTO RICO

⑈0215⑈0204⑆ 0236306⑈ 1000000⑈

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E-309

One envelope was addressed to Sheffield Advisory Company, S.A.

Plaintiff,

E-310

ONLY COPY AVAILABLE

E. H. G. [illegible]

PAYMENTS MADE TO: DR. ALBERTO INOCENTE ALVAREZ AND/OR GLOBE FINANCIAL AND INVESTMENT COLP.

	DATE	CHECK No.	AMOUNT	SEE No.
Globe Financial and Inv.	2-23-72	21851	20000 ✓	1
Alberto Alvarez	2-22-72	21521	10000	1
Globe Financial and Inv.	5-10-72	22539	20000 ✓	2
Globe Financial and Inv.	6-10-72	22840	10000 ✓	2
Alberto Alvarez	8-1-72	S/N	120000	3
			230000	

PAYMENTS MADE TO: C. W. McALPIN

DATE	CHECK	AMOUNT	SEE No.
10-5-71	WIRE	20000 ✓	4

PAYMENTS MADE TO: CAPITAL GROWTH CO. SA

DATE	CHECK	AMOUNT	SEE No.
8-23-73	25320	10000 ✓	5

PAYMENTS MADE TO: J. H. BURKE

DATE	CHECK	AMOUNT	SEE No.
9-14-72	585	5000	6

DATE 10-5-71

ACCT No.	COST CODE STATION		DESCRIPTION	POSTED	PARTIAL	DEBIT	CR
	PROJECT	ACTIVITY					
			Loan Collateral			20,000.00	
			Cash Advance				
0			Laguna Gardens II, Inc.		20000 00		
1330			9				
			Cash in Bank				20.
			Brickell Bank				

THE BRICKELL BANK
1201 BRICKELL AVENUE
MIAMI, FLORIDA

NOTICE OF CHARGE

DATE 10-5-71

WE DEBIT YOUR ACCOUNT AS FOLLOWS

	AMOUNT
Wire transfer funds to Bank of America San Jose Costa Rica to Credit acct of C.N. McAlpin by Aden E.H.E.C.	
TOTAL	20,000.00

ACCOUNT NO. 100-206-1

IN REPLY TO REFER TO: H. Toth

APPROVED BY

E.H. C. Enterprises
1515 N.W. 167th Street
Miami, Florida

POSTED

INTERCOMPANY DEBIT No. DATE:

4

ACCOUNTING MACHINE EXPLANATION: LAGUNA GARDENS II, INC. NO MORE THAN THREE WORDS

FORM No. 39-800-8|70

MADE BY	CHECKED BY	APPROVED BY	APPROVED BY	POSTED SUBSIDIARY	POSTED GENERAL LEDGER	VOU
		Cas			4-1	

UU023.1

STATE OF NEW YORK)

EXHIBITS OF SEC IN OPPOSITION TO

APPLICATION TO VACATE PRELIMINARY

INJUNCTION, ETC.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

- -x

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

- against -

CAPITAL GROWTH COMPANY, S.A. (Costa Rica),
CAPITAL GROWTH COMPANY, S.A. (Panama),
NEW PROVIDENCE SECURITIES, LTD., S.A.,
SHEFFIELD ADVISORY COMPANY,
SHEFFIELD ADVISORY COMPANY, S.A.,
EHG ENTERPRISES, INC.,
CLOVIS W. McALPIN,
SANFORD C. SHULTES,
ARIEL E. GUTIERREZ,
ENRIQUE H. GUTIERREZ,

Defendants.

74 Civ. 3779 (CES)

- -x

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AFFIDAVIT OF NOTICE

STANLEY SPORKIN
Director

RICHARD L. JAEGER
Chief Counsel

THEODORE ALTMAN
Assistant Director

WILLIAM D. MORAN
Regional Administrator

MARVIN E. JACOB
Associate Regional Administrator

MERYL E. WIENER
Attorney

Attorneys for Plaintiff

Securities and Exchange Commission
Division of Enforcement
Washington, D. C. 20549

Securities and Exchange Commissi
New York Regional Office
26 Federal Plaza

SOUTHERN DISTRICT OF NEW YORK

- -x

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

- against -

CAPITAL GROWTH COMPANY, S.A. (Costa Rica)
CAPITAL GROWTH COMPANY, S.A. (Panama)
NEW PROVIDENCE SECURITIES, LTD., S.A.
SHEFFIELD ADVISORY COMPANY
SHEFFIELD ADVISORY COMPANY, S.A.
EHG ENTERPRISES, INC.
CLOVIS W. McALPIN
SANFORD C. SHULTES
ARIEL E. GUTIERREZ
ENRIQUE H. GUTIERREZ,

Defendants.

74 Civil Action
File No.

AFFIDAVIT OF NOTICE

- -x

COUNTY OF NEW YORK)
) ss:
STATE OF NEW YORK)

MERYL E. WIENER, being duly sworn, deposes and says:

1. I am an attorney employed by the United States Securities and Exchange Commission ("Commission") in its New York Regional Office.

2. Between approximately 10:30 and 10:40 a.m. on September 3, 1974, I telephoned Laurence Greenwald, Esq. of Stroock & Stroock & Lavan, Esqs., who heretofore represented defendants EHG Enterprises, Inc., Ariel E. Gutierrez and Enrique H. Gutierrez, and J. Robert Lunney, Esq. of Lunney & Crocco, Esqs., who heretofore represented defendants Sheffield Advisory Company, Sheffield Advisory Company, S.A. and Sanford C. Shultes, and advised them that the plaintiff Commission had filed a complaint in this action earlier on September 3, 1974

and that a hearing on an Order to Show Cause and Temporary Restraining Order was scheduled for 4:30 p.m. on September 3, 1974 in Room 102, United States Courthouse, Foley Square, New York, New York 10007, before The Honorable Charles E. Stewart, Jr., United States District Judge.

3. At approximately 10:45 a.m. on September 3, 1974, I telephoned defendant Clovis W. McAlpin in San Jose, Costa Rica at 227-720, and similarly advised him, in his capacity as an officer of defendants Capital Growth Company, S.A. (Costa Rica), Capital Growth Company, S.A. (Panama) and New Providence Securities, Ltd., S.A., and individually, that the plaintiff Commission had filed a complaint in this action earlier on September 3, 1974 and that a hearing on an Order to Show Cause and Temporary Restraining Order was scheduled for 4:30 p.m. on September 3, 1974 in Room 102, United States Courthouse, Foley Square, New York, New York 10007, before The Honorable Charles E. Stewart, Jr., United States District Judge.

MERYL E. WILNER

Sworn to before me this
3rd day of September 1974

NOTARY PUBLIC

UNITED ST[redacted] DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

74 Civ. 3779 (CES)

- against -

CAPITAL GROWTH COMPANY, S.A. (Costa Rica),
CAPITAL GROWTH COMPANY, S.A. (Panama),
NEW PROVIDENCE SECURITIES, LTD., S.A.,
SHEFFIELD ADVISORY COMPANY,
SHEFFIELD ADVISORY COMPANY, S.A.,
EHG ENTERPRISES, INC.,
CLOVIS W. McALPIN,
SANFORD C. SHULTES,
ARIEL E. GUTIERREZ,
ENRIQUE H. GUTIERREZ,

Defendants.

E-317

AFFIDAVIT OF SERVICE

STANLEY SPORKIN
Director

WILLIAM D. MORAN
Regional Administrator

RICHARD L. JAEGER
Chief Counsel

MARVIN E. JACOB
Associate Regional Administrator

THEODORE ALTMAN
Assistant Director

MERYL E. WIENER
Attorney

Attorneys for Plaintiff

Securities and Exchange Commission
Division of Enforcement

Securities and Exchange Commission
New York Regional Office

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION, Plaintiff, - against - CAPITAL GROWTH COMPANY, S.A. (Costa Rica) CAPITAL GROWTH COMPANY, S.A. (Panama) NEW PROVIDENCE SECURITIES, LTD., S.A. SHEFFIELD ADVISORY COMPANY SHEFFIELD ADVISORY COMPANY, S.A. EHG ENTERPRISES, INC. CLOVIS W. McALPIN SANFORD C. SHULTES ARIEL E. GUTIERREZ ENRIQUE H. GUTIERREZ, Defendants.	74 Civ. 3779 (CES) AFFIDAVIT OF SERVICE

COUNTY OF NEW YORK)
) ss:
STATE OF NEW YORK)

MERYL E. WIENER, being duly sworn, deposes and says:

1. I am an attorney employed by the United States Securities and Exchange Commission in its New York Regional Office.

2. At approximately 9:30 a.m. on September 4, 1974, I telephoned defendant Clovis W. McAlpin in Costa Rica at 227-720 and advised him of the entry of the Order to Show Cause and Temporary Restraining Order ("the Order") signed by the Honorable Charles E. Stewart, Jr., United States District Judge, on September 3, 1974. At approximately 12:00 noon on September 4, 1974, I caused a duly conformed copy of the Order to be mailed, by Registered Mail, via Air Mail, to Clovis W. McAlpin, P.O. Box 7-1460, San Jose, Costa Rica.

3. At approximately 6:30 p.m. on September 3, 1974, I telephoned the offices of the defendants Capital Growth Company, S.A. (Costa Rica), Capital Growth Company, S.A. (Panama) and New Providence Securities, Ltd., S.A. in Costa Rica at 227-720 and spoke with Maria Ruckli, who represented to me that she was an Officer (Secretary) of these entities, and advised her of the substance of the Order and the fact of its entry. At approximately 12:00 noon on September 4, 1974, I caused a duly conformed copy of the Order to be mailed, by Registered Mail, via Air Mail, to the mailing address of these entities at P.O. Box 7-1460, San Jose, Costa Rica. In addition, I caused a duly conformed copy of the Order to be mailed to Clovis W. McAlpin at the same address.

4. At approximately 12:00 noon on September 4, 1974, I caused duly conformed copies of the Order to be hand-delivered to Lunney & Crocco, Esqs. to the attention of J. Robert Lunney, Esq., the attorneys for the defendants Sanford C. Shultes, Sheffield Advisory Company and Sheffield Advisory Company, S.A., at their offices at 20 Exchange Place, New York, New York, by handing envelopes containing the Order to Harry Zimmerman, an employee of the United States Securities and Exchange Commission in its New York Regional Office, and instructing him to have these envelopes delivered to the person set forth above. The attached Affidavit of Jack A. Lustig shows that the aforesaid envelopes were personally handed to Leslie Sorkin, a receptionist at the offices of Lunney & Crocco, Esqs., at the above address at approximately 1:20 p.m. on September 4, 1974. In addition, at approximately 12:00 noon on September 4, 1974, I caused duly conformed copies of

the Order to be mailed, by Certified Mail, Return Receipt Requested, to the last known residence of Sanforc S. Shultes at 439 East 51st Street, New York, New York, and to the last known offices of Sheffield Advisory Company ans Sheffield Advisory Company, S.A. at 11 Broadway, New York, New York.

5. At approximately 7:00 p.m. on September 3, 1974, I telephoned defendant Ariel E. Gutierrez and advised him of the substance of the Order and the fact of its entry. He represented to me that he would communicate the substance of our conversation to his brother, defendant Enrique H. Gutierrez. At approximately 12:00 noon on September 4, 1974, I caused duly conformed copies of the Order to be mailed, by Certified Mail, Return Receipt Requested, to the offices of EHG Enterprises, Inc., and to Ariel E. Gutierrez and Enrique H. Gutierrez, to the office address of EHG Enterprises, Inc., at El Caribe Building, corner of Palmeras and Jeronimo, San Juan, Puerto Rico. In addition, at approximately 10:00 a.m. on September 4, 1974, I telephoned the offices of Stroock & Stroock & Lavan, Esqs. and spoke with Laurence Greenwald, Esq., who heretofore represented EHG Enterprises, Inc., Ariel E. Gutierrez and Enrique H. Gutierrez in thismatter and advised him of the substance of the Order and the fact of its entry. At approximately 12:00 noon on September 4, 1974, I caused a duly conformed copy of the Order to be hand-delivered to the defendants EHG Enterprises, Inc., Ariel E. Gutierrez and Enrique H. Gutierrez, c/o Stroock & Stroock & Lavan, Esqs., to the attention of Laurence Greenwald, Esq., at 61 Broadway, New York, New York, by handing an envelope containing the Order to Harry Zimmerman, an employee of the United States Securities and Exchange Commission in its New

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

- -x

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

- against -

CAPITAL GROWTH COMPANY, S.A. (Costa Rica)
CAPITAL GROWTH COMPANY, S.A. (Panama)
NEW PROVIDENCE SECURITIES, LTD., S.A.
SHEFFIELD ADVISORY COMPANY
SHEFFIELD ADVISORY COMPANY, S.A.
EHG ENTERPRISES, INC.
CLOVIS W. McALPIN
SANFORD C. SHULTES
ARIEL E. GUTIERREZ
ENRIQUE H. GUTIERREZ,

Defendants.

74 Civ. 3779 (CES)

AFFIDAVIT OF SERVICE

- -x

COUNTY OF NEW YORK)
) ss:
STATE OF NEW YORK)

JACK A. LUSTIG, being duly sworn, deposes and says:

1. I am a Securities Compliance Examiner, employed by the United States Securities and Exchange Commission in its New York Regional Office.

2. At approximately 12:30 p.m. on September 4, 1974, I was handed envelopes by Harry Zimmerman, an employee of the United States Securities and Exchange Commission in its New York Regional Office, who advised me he had been instructed by Meryl E. Wiener to have me make delivery of the envelopes as set forth below.

3. At approximately 1:20 p.m. on September 4, 1974, I hand-delivered to Leslie Sorkin, a receptionist at the offices of Lunney & Crocco, Esqs., at 20 Exchange Place, New York, New

York Regional Office, and instructing him to have this envelope delivered to the person set forth above. The attached Affidavit of Jack A. Lustig shows that the aforesaid envelope was personally handed to Cheryl Shapiro, the receptionist at the offices of Stroock & Stroock & Lavan, Esqs., at the above address at approximately 2:10 p.m. on September 4, 1974.

S/
MERYL E. WIENER

Sworn to before me this
9 day of September 1974

NOTARY PUBLIC

York, two envelopes. One envelope was addressed to Sheffield Advisory Company c/o Lunney & Crocco, Esqs., Attention J. Robert Lunney, Esq., 20 Exchange Place, New York, New York, and one envelope was addressed to Sheffield Advisory Company, S.A. c/o Lunney & Crocco, Esqs., Attention J. Robert Lunney, Esq., 20 Exchange Place, New York, New York.

4. At approximately 2:10 p.m. on September 4, 1974, I hand-delivered to Cheryl Shapiro, a receptionist at the offices of Stroock & Stroock & Lavan, Esqs., at 61 Broadway, New York, New York, an envelope addressed to EHG Enterprises, Inc., Ariel E. Gutierrez and Enrique H. Gutierrez c/o Stroock & Stroock & Lavan, Esqs., Attention Laurence Greenwald, Esq., 61 Broadway, New York, New York.

S/
JACK A. LUSTIG

Sworn to before me this
9 day of September 1974

NOTARY PUBLIC

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

CAPITAL GROWTH COMPANY, S.A. (Costa Rica)
CAPITAL GROWTH COMPANY, S.A. (Panamá)
NEW PROVIDENCE SECURITIES, LTD., S.A.
SHEFFIELD ADVISORY COMPANY
SHEFFIELD ADVISORY COMPANY, S.A.
EHG ENTERPRISES, INC.
CLOVIS W. McALPIN
SANFORD C. SHULTES
ARIEL E. GUTIERREZ
ENRIQUE H. GUTIERREZ,

Defendants.

Complaint

74 Civ. 3779 (CES)

AFFIDAVIT OF SERVICE

Eduardo Castillo Blanco, of legal age, married, attorney-at-law and resident of Guaynabo, Puerto Rico, being duly sworn deposes and says:

1. My name and personal circumstances are as stated above.

2. On September 17, 1974, I was handed three copies of Summons and Complaint on the above enumerated action with the instructions that they be served on defendants E.H.G. Enterprises, Inc., Ariel E. Gutierrez and Enrique H. Gutierrez.

3. On September 19, 1974, at 8:00 A.M. I served copies of said summons and complaint to defendants E.H. Gutierrez Enterprises, Inc., through its president, Ariel E. Gutierrez, Ariel E. Gutierrez and Enrique H. Gutierrez, at the executives offices of E.H. Gutierrez Enterprises, Inc., located at El Caribe Building, Corner Palmeras and Jeronimo Streets, San Juan, Puerto Rico, by delivering to them personally true and correct copies thereof.

4. I am an attorney at law duly qualified and authorized to practice before the Supreme Court of Puerto Rico, the United States District

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Court for the District of Puerto Rico and the United States Court of Appeals for the First Circuit.

5. I am not a party, nor an attorney for any of the parties nor an employee of any of the attorneys for the parties to this action.

Eduardo Castillo Blanco

COMMONWEALTH OF PUERTO RICO)
MUNICIPALITY OF SAN JUAN) SS.:

SWORN AND SUBSCRIBED TO BEFORE ME by Eduardo Castillo Blanco, of legal age, married, attorney-at-law and resident of Guaynabo, Puerto Rico, to me personally known this 19th day of September, 1974.

AFFIDAVIT NO. 432

Gabriel Hernandez Rivera
NOTARY PUBLIC

GABRIEL HERNANDEZ RIVERA
ABOGADO
NOTARIO
PUERTO RICO

COMMONWEALTH OF PUERTO RICO

DEPARTMENT OF STATE

SAN JUAN, PUERTO RICO

I, ----------SANTIAGO ORTIZ------ACTING--, *Secretary of State of Puerto Rico,*

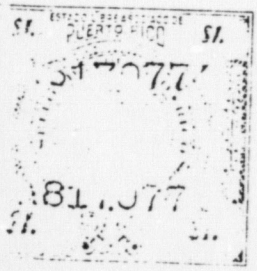
DO HEREBY CERTIFY: that ----------GABRIEL HERNANDEZ RIVERA----------,

whose official attestation appears to the annexed instrument, was, on the day of the same, and is at present, a Notary Public in and for the Commonwealth of Puerto Rico, his authority as such being filed and registered in this Department; that he, as such Notary Public, is empowered to administer oaths, affidavits, or affirmations; to authorize affidavits or declarations of authenticity; to take acknowledgments of deeds and other instruments affecting land situate in the Commonwealth of Puerto Rico, the District of Columbia, or in the territories and possessions of the United States; to certify to, or to witness the truth or recognition of a signature, an oath, or any fact, act, or contract of a mere private nature affecting real or personal property; to certify contract and other extrajudicial instruments that are executed in his presence, and to draft original deeds and to issue copies thereof; that to all his official acts as such Notary Public full faith and credit may and ought to be given in all courts of justice and elsewhere; and having compared the seal and signature of the said ----------GABRIEL HERNANDEZ RIVERA----------

to said attestation with his signature and seal registered in this Department pursuant to law, I verily believe same to be genuine.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of the Commonwealth of Puerto Rico, at the City of San Juan, this ----twentieth-----*day of* -----September--, *in the year of our Lord one thousand nine hundred and* seventy-four.

Acting--Secretary of State of Puerto Rico



STATE OF NEW YORK)
: SS:
COUNTY OF RICHMOND)

ROBERT BAILEY, being duly sworn, deposes and says, that deponent is not a party to the action, is over 18 years of age and resides at 286 Richmond Avenue, Staten Island, N.Y. 10302. That on the 13 day of March, 1974 deponent served the within Brief upon S.E.C. appeal pm.

attorney(s) for appellee

in this action, at 500 North Capitol St. Wash, DC. 20549

the address designated by said attorney(s) for that purpose by depositing 3 true copies of same enclosed in a postpaid properly addressed wrapper, in an official depository under the exclusive care and custody of the United States post office department within the State of New York.

ROBERT BAILEY

Sworn to before me, this
13 day of March, 1974

William Bailey

WILLIAM BAILEY
Notary Public, State of New York
No. 43-0132945
Qualified in Richmond County
Commission Expires March 30, 1976

AFFIDAVIT OF PERSONAL SERVICE

STATE OF NEW YORK,
COUNTY OF RICHMOND ss.:

EDWARD BAILEY being duly sworn, deposes and says, that deponent is not a party to the action, is over 18 years of age and resides at 286 Richmond Avenue, Staten Island, N.Y. 10302. That on the 13 day of March, 1975 at No. 26 Federal Plaza - 26 Broadway deponent served the within Orbits upon Sec'y Regional Office - Barnett Smithsonian the appellee herein, by delivering a true copy thereof to h personally. Deponent knew the person so served to be the person mentioned and described in said papers as the appellee therein.

Sworn to before me,
this 13 day of March 1975

Edward Bailey

William Bailey

WILLIAM BAILEY
Notary Public, State of New York
No. 43-0132945
Qualified in Richmond County
Commission Expires March 30, 1973